

TWENTY CENTS

FEBRUARY 28, 1931

MAR 3 1931

Sales Management

The Weekly Magazine for Marketing Executives



F. C. Kendall, business paper publisher, who won Harvard award for 1930

Is "Profit Assurance" an Absurdity?

By C. E. Knoepfel

How Fourteen Concerns Handle Split Commission Arguments

DURING 1930

Food and Grocery Advertisers Used MORE SPACE

in

The Pittsburgh Press Than in Any Other Newspaper, Anywhere

Facts based on RETAIL and GENERAL Food and Grocery classifications
as contained in the official 1930 Media Records Reports.

FIRST IN PITTSBURGH IN ADVERTISING VOLUME SIXTH IN UNITED STATES

The Pittsburgh Press

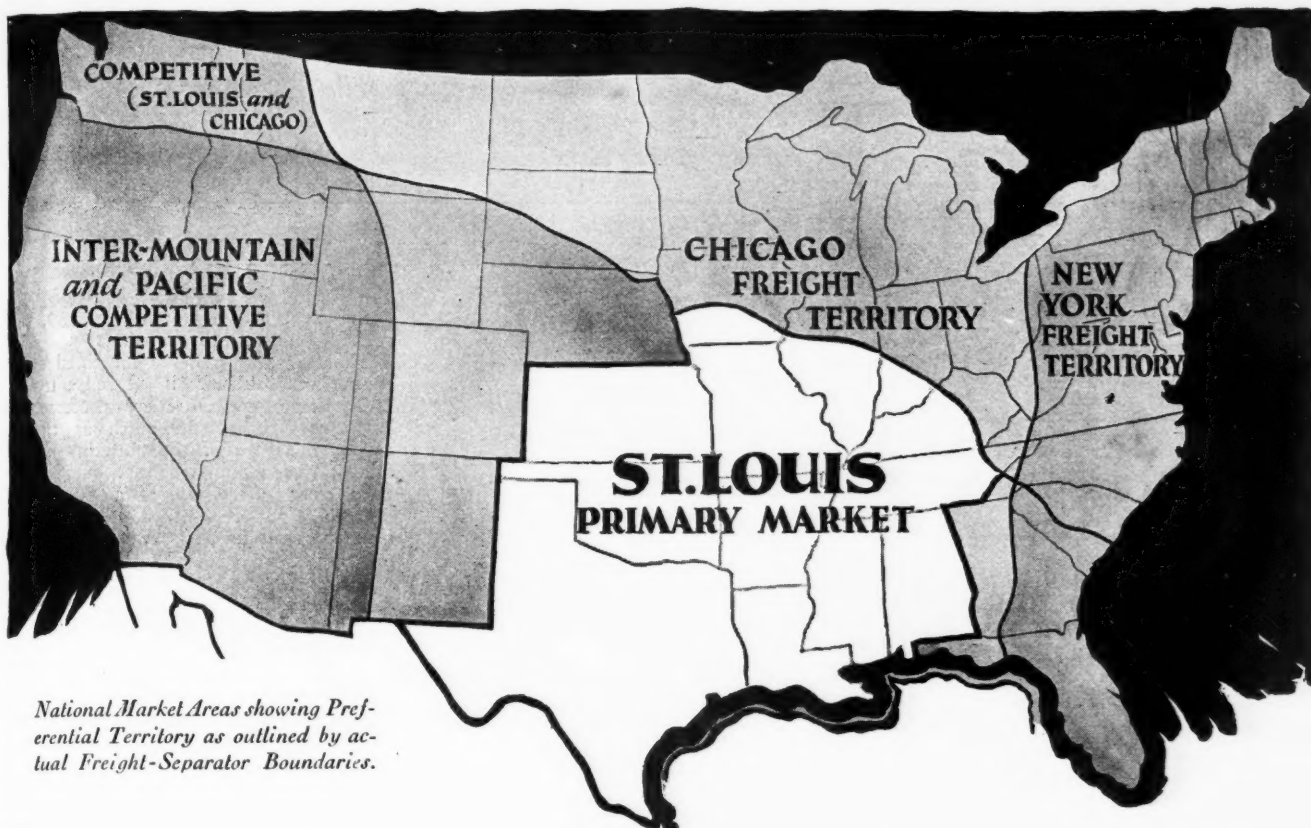
A Scripps • Howard Newspaper

NATIONAL ADVERTISING
DEPARTMENT OF
SCRIPPS-HOWARD
NEWSPAPERS
230 PARK AVENUE, N. Y. C.



MEMBER OF THE UNITED
PRESS . . . OF THE AUDIT
BUREAU OF CIRCULATIONS
and of
MEDIA RECORDS, INC.

CHICAGO • SAN FRANCISCO • LOS ANGELES • DALLAS • DETROIT • PHILADELPHIA • BUFFALO • ATLANTA



National Market Areas showing Preferential Territory as outlined by actual Freight-Separator Boundaries.

Distribute for Profit

— not for volume

STRICTLY speaking, there are only three major national distributing centers—New York, Chicago and St. Louis.

Each has its definitely limited territory—its profitable trading limits fixed by freight-separator lines. You cannot afford to ignore these divisions, because they mark the boundaries within which internal distribution can be effected *at a profit*. Pass them, and all you gain is volume.

★ ★ ★

St. Louis controls the Southwest territory as strategically as New York dominates the Atlantic Seaboard, or Chicago the Great Lakes and Northwestern country. You cannot profitably cover this south-central section from any other point than St. Louis because the distances are too great and the costs too high.

But you can, as a Manufacturer or Distributor, blanket this territory from St. Louis, because its travel-lines, its freight-service and its buying customs all lead *to and from* St. Louis.

See what this third market center directly serves:

- practically 1/4 the nation
- 29,690,000 people
- a rapidly developing territory
- a competitive Far-Western market.

If you are trying to cover St. Louis' natural territory from outside its area, you are attempting what is now competitively impractical and will soon become practically impossible. Why do it when you could so advantageously command this district from its own business center?

★ ★ ★

In these hard-bitten times shrewd business is thinking in terms of *intensive*, rather than extensive coverage. Volume of itself means little; profit, everything. Let us show you by facts and figures how from St. Louis you could get the volume and keep the profit, too. Write the Industrial Bureau of the Industrial Club, 507 Locust Street, St. Louis, Mo.

St. Louis

THIRD DISTRIBUTION CENTER

High Pressure is High Priced

Firing an engine at forced draft takes fuel. Forcing a market means applying high priced high pressure. Profits cannot stand the burden of abnormal sales and advertising effort.

NATURAL markets are discovered not "created." Finding and measuring a natural market is only one phase programed in a B K W General Survey. May we describe its application to your business? An interview with a B K W representative entails no obligation, yet from it may develop a new profit-building program.

**BIGELOW,
KENT, WILLARD
AND CO., INC.**

**Consulting Engineers
and Accountants—
Merchandising
Counselors**

**PARK SQUARE BUILDING
B O S T O N**

Survey of Surveys

BY WALTER MANN

A. E. A. Vetoes Price Maintenance Bill

In his preface to a recent research bulletin bearing his name as sponsor, Carroll W. Doten, of the Massachusetts Institute of Technology (himself an economist of some note) deplores the fact that the opinions of economists are seldom asked on important economic subjects which are to be worked into potential laws affecting modern business.

Since the law-making mountain apparently refuses to come to the economist Mahomet, Mr. Doten has persuaded Mahomet to come (at least in part) to the mountain, i.e., he has gathered the views of some 500 "economists" regarding the desirability of the now much-mangled Kelly Resale Price Bill (H. R. 11), and has put them into a compact little pocket-sized book.

The cast of characters in the resale price bill drama he presents is as follows:

Mahomet—21 per cent of the economists of the American Economic Association.

The Mountain—Members of the House of Representatives in general—and Representative Kelly in particular.

The Papers—(H. R. 11) The Kelly Resale Price Bill.

The Villains—The manufacturers "behind" the Kelly bill.

The Cheild—The much-abused common "pee-pul."

The opinion expressed in Mahomet's responses to such questions will be seen to be quite generally unfavorable to the bill. A few of these questions are:

1. Do you think the manufacturer should have the *legal right* to control the retail prices of his products?
2. Do you favor the enactment of this bill?

3. If you do not approve of this bill, would you favor any legislation by Congress granting this right?

4. Do you think the enactment of this bill would

- (a) Really benefit the manufacturer?
- (b) Injure or seriously hamper the freedom of retailers?
- (c) Increase the cost of living?
- (d) Lessen competition in distribution?
- (e) Encourage wasteful national advertising? (indirect repetition of "c").
- (f) Permit and encourage territorial or other discrimination by manufacturers?
- (g) Increase the costs of distribution? (indirect repetition of "c"), etc.

Following so apparently definite a decision against the bill, it is only natural for us to want to scrutinize most carefully the general makeup of the list of "economists" (economists being such an all-embracing term) who responded, as well as the possible personal reason, if any, for their negative attitudes. Fortunately for us all, Mr. Doten has given us this information in detailed breakdown after each question in this bulletin.

Out of 2,650 letters sent out containing questionnaires, 557 members of the American Economic Association responded

—the great majority of whom, 339, it is stated, were college professors.*

The first detailed table contained an apparent contradiction. It showed a total of 339 college and university professors as having responded. Inasmuch as the record in the back of the bulletin shows a total of only 326 who are supposed to have replied, this leaves a questionable thirteen responders—which would normally make us tend to discount the accuracy of the results.

However, since this is the only one of these tables in which this inaccuracy seems to occur, we conclude that this was just one of those unexplainable errors which creep into the best of statistical computations.

Of these 339 (?), only thirty-four voted "yes" to the proposed enactment, while 295 voted "no," and ten were in doubt. (Question 2.)

Even assuming that the ten, who were in doubt, were equally in doubt about their professions—this would still leave three college professors more than are recorded in the list in the back of the book.

A study of the detailed statements of the attitudes of professors versus those of the "others," i.e., professional men, business men, etc., certainly indicates that there are two marked schools of thought represented on all questions, even including Question 2, i.e., "Do you favor the enactment of this bill?"

These two schools of thought are (1) the college professors, who are greatly in the majority in number of responders, and whose answers definitely reflect a much stronger general opposition to the bill than do those of the rest of the responders and therefore materially influence the total vote, and (2) the "others" listed under the following heads—members of other professions, government officials, members of statistical organizations, bankers, business men and others in various occupations, whose attitude is about equally pointed in the opposite direction.

It seems to us from our general observations that both sides are to a degree prejudiced. Obviously, you couldn't ask the average manufacturer for an unbiased opinion on the subject—not if he knew which side his bread was buttered on. By the same token (economist or no economist) if the current wail from educators regarding low salaries is to be accepted as justified, the professor is admittedly an individual with his own economic problem still to be solved, and you can therefore hardly ask an unbiased opinion from him, on a subject which so definitely affects his own personal purse strings.

Professor Doten himself suggests the unlikelihood of such opinions being unbiased by the way in which he asks the questions in this very survey, questions that he clearly believes to be fairly asked. Yet

(Continued on page 380)

*Since this does not tally with figures in the next paragraph, we will explain that we obtained this number by counting those listed with their respective colleges in the back of the bulletin.

Sales Management

Publication Office:
420 Lexington Ave.
New York. Phone
M o h a w k 4-1760



AN unusually interesting plan for developing prospects for insurance is outlined in this issue. It deals with the methods used by the All States Life Insurance Company of Montgomery, Alabama.

* * *

NEXT week: the complete details of a sales plan through which a jobber of Richmond, Virginia, has increased sales, maintained prices, and fortified himself against business depression. This company sells to the industrial market, and their system for uncovering prospects and working territory is an important part of the story.

* * *

FOURTEEN important companies have contributed to the article on page 361, which discusses methods for handling split commission arguments.

* * *

ARE you sending your letters to Maxwell Droke, editor of the new department entitled "Sales Letters"? Every subscriber is urged to make use of this clearing house for information about better sales promotion plans.

CONTENTS

Advertising

- 1930 Harvard Awards 370
January Newspaper Lineage in Eighty-seven Cities 384

General

- Significant News 357

Markets and Market Analysis

- All States Life Opens a Big Market among College Alumni 362
By D. G. Baird
Population Studies of Principal Markets and Their Tributary Areas—
No. 5, Los Angeles 364

Sales Policies

- Is "Profit Assurance" an Absurdity? 358
By C. E. Knoeppel, industrial counsel, Cleveland, Ohio
British Car Now Sold on Basis of Actual Running Costs 360

Salesmen's Compensation

- How Fourteen Concerns Handle Split Commission Arguments 361
By Herbert Kerkow

Departments and Services

- Survey of Surveys 350
Sales Letters 354
Government in Business 366
Latest News in Sales and Advertising, Beginning on 372
Editorials 382

RAYMOND BILL, *President*; PHILIP SALISBURY, *Vice-President and Director of Advertising*; J. F. WEINTZ, C. E. LOVEJOY, *Vice-Presidents*; M. V. REED, *Eastern Advertising Manager*; R. E. SMALLWOOD, *Circulation Manager*. *Published by SALES MANAGEMENT, INC., 420 Lexington Avenue, New York; Chicago Office, 333 North Michigan Avenue.*

Sales Letters

BY MAXWELL DROKE

Side-show Tactics

Twenty-five years ago, when we wished to do something really sensational in advertising, we would cast about for an attention-arousing headline. These headlines must have nothing whatever to do with the subject under discussion. Their sole province was to whet the prospect's curiosity.

I was rather under the impression we had gotten away from such artifices, but within the week I have gleaned two examples which prove the practice is still prevalent. The first is from an investment house. It reads:

Throw This Letter in Your Waste Basket!! unless you are interested in 100 per cent profit.

The second is from a large shoe manufacturer:

Don't Read This Letter! It Will Be of No Interest to You!

The case against these side-show tactics is so obvious that no extended argument should be necessary. On one point alone—the question of sincerity—these trick headings should be quickly discarded. The writer is deliberately saying something he doesn't mean, simply for the purpose of attracting attention. The reader immediately discovers he has been duped, and there is an unfavorable reaction.

In both of the instances cited the artificial headline was totally unnecessary. The writers had real news—sensational news—to impart. Some splendid headlines were hidden in the text; headlines that would have carried the reader right into the message, eager to get the facts and figures.

Barn Fires Letter

The barn service department of Sears, Roebuck & Company is starting an intensive merchandising idea that strikes me as one of the best I have seen lately. A clipping bureau provides notices of barn fires. This letter is promptly dispatched to the farmer, except in cases where there are human fatalities:

"Going to a man who has just had some bad luck and trying to sell him something is a ticklish job.

"We heard of your recent fire loss, however, and though the purpose of this letter isn't to tell you how badly we feel about it, we are sincere in saying that we sympathize with you.

"Nevertheless, we know that we can help you and *that's* what we really want to explain.

"We sell barns.

"They're practical, sturdy, economical, attractive and guaranteed.

"You are also offered special designing to meet your particular requirements, easy payment terms and real savings in time and money.

"Shall we send an expert around to give you all the details? There won't be a bit of obligation. Just drop us a line on the back of this letter.

"Telegraph or phone collect if you're in a hurry!

"Yours very truly."

W. R. Carpenter, of the Sears, Roebuck sales promotion division, tells me that the first eight letters mailed pulled 75 per cent inquiries and 25 per cent actual sales. That certainly is a record to shoot at.

And while I am at it, I want to share with you the Sears, Roebuck letter gauge. Here is a sound, sensible yardstick for measuring letters. Why not pass it along to *your* correspondent?

"Wait a minute! Is *that* letter—

"*Attractive*—of neat appearance; well balanced?

"*Sincere*—honest and natural in text and aim?

"*Interesting*—capturing and retaining interest?

"*Impelling*—convincing; inducing desired action?

"*Clear*—in thought and presentation?

"*Sympathetic*—getting the customer's viewpoint?

"*Grammatical*—in spelling, punctuation, syntax?

"*Friendly*—cordial? (Modified by 'Courteous'?)

"*Self-Confident*—not cringing or apologetic?

"*Courteous*—kind, and socially correct?

"*Informative*—presenting sufficient facts?

"*Simple*—not verbose or stilted?

"*Tactful*—diplomatic; 'common-sense'?

"*Original*—not trite and hackneyed?

"*Accurate*—(a 'sincere' letter may be inaccurate)

"*Compact*—united in thought and presentation?

"*Complete*—no essential points omitted?

"*Systematic*—good arrangement and sequence?

"*Consistent*—not contradictory or equivocal?

"*Representative*—of the company's policy and ideals?"

"Friendly Grey" Envelopes

In their current campaign on Silvertone "Friendly Grey" envelopes, the Standard Envelope Manufacturing Company has hit upon a sound merchandising idea. To quote from their introductory letter:

"'Humph,' you'll say, 'Envelopes; such prosaic things! Why bother me?'

"For years, mailing envelopes have been just that—and more; dull as ditch water; exciting as a yawn!

"But there is a new idea in envelopes. An idea that eliminates all that . . .

An accompanying folder explains that the Silvertone "Friendly Grey" is a scientifically developed shade that is "friendly to all the colors of the spectrum." It is a rather odd grey-blue-green-silvery stock which will harmonize with virtually any color scheme desired. Wonder why some enterprising envelope manufacturer hasn't thought of that long ago!

Dealer Customer Lists

Those of you who know from bitter experience how difficult it is to get dealers to keep adequate prospect and customer lists will be interested in the Majestic plan. Distributors are now passing out to all Majestic dealers a book titled, "Our Majestic Owners List." On the front cover is printed the impressive statement, "There's Gold in This Here List!" and the reminder that

"We Must Phone These Owners for—

—radio prospects

—refrigerator prospects

—Majestic tube prospects.

"We must mail them 'Voice of the Air' every two weeks."

The book provides spaces for the alphabetical listing of customers, giving name, address, phone, model and date purchased. There is a separate section for prospects, who are, of course, transferred to the customer section, as the sales are closed.

The book is punched, and a string inserted so that it may be conveniently hung in a conspicuous place. A bright yellow tag gives further instructions:

"When the Grigsby-Grunow representative, or your Majestic distributor's representative, calls, and you do not have an order for Majestic products, *please hand him this book*. He will phone and visit some of your Majestic owners, with you or your head salesman, and try to sell some Majestic radios, tubes and refrigerators for you."

Being Different Pays

In the petroleum industry the "Market Letter" is somewhat of an institution. Producers and distributors, large and small, feel that they must issue something of the sort, because "the trade expects it." But some time ago Myers Gross, sales manager of the Vickers Petroleum Company, broke with tradition. He discontinued the "Market Letter" and substituted the "Gusherville News," a single sheet newspaper, edited after the hilarious fashion of the "Bingville Bugle." In addition to such news items as "Hank Sleeper, Gusherville police force, while playin' with a strange dog last evenin' was bit in his front yard," there are style hints, poems, feature articles and an editorial by "Pete Roleum."

Mr. Gross tells me that the paper is eagerly read by dealers and that it has proved "a better proposition than the old style Market Letter with dry facts, figures and predictions that sometimes are wrong."

Which proves that when everyone else is following a certain course, it often pays to do something radically different.

We're Ambitious

My volume of correspondence with SALES MANAGEMENT readers is increasing steadily. Please don't hesitate to send in *your* letters for comment and criticism. It is our ambition to make the department of practical help to every reader.

Significant News

• • • Business in general, though still irregular and spotty in many lines, continues to show some improvement, especially in textiles. This is true also of automobiles to some extent, a fact associated with the better feeling in the security markets.

• • • The current circular of the Guaranty Trust Company, New York, analyzes the present situation as follows: "Since the beginning of February there has been a good deal of irregularity, with further seasonal advances in some directions and apparent setbacks in others. The worst that can be said, therefore, is that the decline in business activity has been checked, for the time being at least. . . . Disturbed conditions abroad, uneconomic legislation at home, unstable commodity prices, slow liquidation of bank loans and continued maladjustment in both agriculture and industry must all be reckoned with as deterrent factors, but seem to mark the last phase of the depression period."

• • • There is still no sign of arrest in the decline of average commodity prices, the Irving Fisher index number having dropped last week to 75.8 from 76.3 the week before.

• • • Railroad car loadings made a slight gain in the week ended February 14 over the previous week but were still far behind the loadings of 1930 and 1929.

• • • Kroger Grocery & Baking, second largest grocery chain, is asking its stockholders to allow the sale of meals and soft drinks in its stores. Some large chain grocery stores now have lunch counters. The news is contemporaneous with the announcement that Kroger is about to resume the expansion program which came to an abrupt pause last year.

• • • Bon Ami's net income in 1930 was only slightly less than in 1929—\$1,356,445, compared with \$1,455,221—and the consolidated net income of William Wrigley, Jr., is now estimated at only something less than \$12,200,000, about half a million more than that of the year before—more evidence that people will buy what they feel they must have even in hard times.

• • • Cream of Wheat is in the same category with net income of \$1,868,164, compared with \$1,882,122 in 1929. Even more striking is the case of Drug, Inc., the net income of which rose to \$21,123,430 from \$17,013,543 in 1929.

• • • Ford Motors assembly plant at the Rouge has gone on a five-day-week basis from three days a week, which has been in effect for some months.

• • • Car registration in January, according to reports from thirty states, was 23 per cent higher than in December but 22 per cent less than in January, 1930. Chevrolet sales were 20,335 against 17,043 by Ford.

• • • Frigidaire has speeded up production following the announcement that the company has appropriated \$7,000,000 for advertising, a new record, and is now merchandising its product through nine regional zones with headquarters in large cities.

• • • Eureka Vacuum Cleaner has begun production of a De Luxe model at a slightly increased price. Following the bad year when volume was abnormally low, sales are running ahead of production, which is at the rate of 600 units a day. Eureka carries all its own instalment notes, which at the close of last year totaled \$1,778,046, compared with \$3,376,978 the year before.

• • • A complete reorganization of the Westinghouse Electric & Manufacturing merchandising department was announced this week. The objects are increased flexibility and breadth. The department is now separated into two main divisions, one under M. C. Morrow, sales manager, and the other under F. R. Kohnstamm, director of merchandise.

• • • Wholesale buying of merchandise fell off last week, according to New York Credit Clearing House reports, but remained larger in volume than last year.

• • • Auburn Automobile shipped 3,371 Auburn and Cord cars in the first forty-five days of 1931. Its previous record for that month was 2,343 cars, in 1929.

• • • Pierce-Arrow Motor Car on sales of \$19,016,972—32 per cent less than in 1929—had a manufacturing profit of \$1,176,480, nearly 50 per cent less than in the year before.

• • • Cigarette production continues to slacken slightly while the tobacco companies are reporting brilliant earnings, the January output of small cigarettes—9,368,208,250—having been 840,023,523 less than in January, 1930.

• • • Timing advertising to meet the buying habits of the public is the subject of a study just taken up by the sales promotion division of the National Retail Dry Goods Association. Eighteen department stores in various parts of the country will furnish the material. Preliminary examination indicates that preponderating copy is sometimes used for days that characteristically have relatively small sales.

• • • Farm population increased in 1930 for the first time in a decade. The movement to the farms was the largest since 1924—1,392,000 persons—just about the same number as went agricultural six years before, a peak year. The Department of Agriculture sees in this migration a reflection of the employment situation.

• • • Nation-wide cuts in sugar prices are foreshadowed by a twenty-point reduction in the price of a special grade granulated sugar by California and Hawaiian Sugar. This cut is the climax of a price war in the southwestern part of the country.

• • • Coffee futures continue to sag, tending to bring about further reduction in retail prices.

• • • The new Canadian tariff on automobiles practically excludes high-priced cars of American make, says an outgiving of the Democratic National Committee.

P R O F I T F O R M U L E	
That of yesterday (1)	SALES INCOME - (LABOR+MATERIAL+OVERHEADS) = PROFITS (?)
That of tomorrow (2)	SALES INCOME - (PROFIT+FIXED EXPENSES) - (LABOR+MATERIAL+BUDGETED VARIABLE OVERHEADS) = <u>ZERO</u>
<p>(1) leaves profits to accident, chance and blind faith- and more make losses than profits</p> <p>(2) is a matter of predetermination and control- and most of those who use it make profits</p>	

How can we replace red with black? By substituting an easily understood mathematical formula for the show-in-the-dark methods usually followed in industry.

Is "Profit Assurance" an Absurdity?

BY C. E. KNOEPPPEL
Industrial Counsel, Cleveland, Ohio

INDUSTRIAL concerns, as this is being written, are in the throes of the annual stock-taking and book-balancing performance in an endeavor to ascertain where they are from the standpoint of their 1930 profits.

Industrial "pink mouth" will be in evidence on all sides—in fact the dominating color scheme in the business "mural" for 1930 will be red.

The economic "wailing wall" will be packed four and five deep. The cry will be loud and insistent—what about our 1931 profits?

Well, what about them? There will be no greater question before the business of this country than this one during the early months of 1931.

Will the manufacturers of "red ink" do an unusually successful business this year?

Not if manufacturers have the vision and the will plus a dash of "intestina fortitudum" to give the makers of black ink a chance.

Other articles by Mr. Knoeppel appeared in SALES MANAGEMENT for August 30, 1930 ("What Are Inadequate Profits?"), and December 20, 1930 ("Some Policies that Will Insure Profits for 1931").

"No!" emphatically answers this industrial engineer. Here Mr. Knoeppel shows how sales-and-profit budgeting can be applied to any business to obviate guesswork. Profits in this way become an assured reality rather than merely a devoutly hoped-for goal.

Red on our books should be as great a challenge to the executive as it is to the bull in the field.

How can black erase red?

By substituting an easily understood mathematical formula for the one usually adopted by those in industry. (See illustration above.)

Absurd, you say!

No, not absurd—merely unusual!

Let me illustrate.

Betterment work of a professional character was undertaken for a well-known industrial concern. Balance sheets and income statements were carefully reviewed. A "ratio analysis" was made. It was found that 50 per cent of the assets were in inventories; while 40 per cent of the liabilities consisted of notes and accounts pay-

able and bonds. The now famous "banker's ratio" was 1.57 to 1.0. Cash and receivables to notes and accounts payable was 0.6 to 1.0. Turnovers of sales to inventory and to capital were less than 1.0 to 1.0. The business was well in "red." The market was a "declining" one.

In short, the business was "flirting" with the receiver.

Several remedial measures were undertaken:

1. "Synthetic" balance sheets and income statements were prepared as they should look six months later—incorporating substantial reductions in inventory and payables, increased sales volume and a definite profit and loss objective.

2. Analyses were made of sales

by products for a number of years.

3. A market study was undertaken—external in character.

4. Charts were prepared for all important inventory items to observe the extent to which they were out of balance.

5. Labor force was reduced so as not to pile up unnecessary work in process and finished products.

6. Purchases, expenses and additions to labor force were put on a rigid basis.

7. A "profitgraph" (break-even point chart) was made to show exactly what the business "had" to do to better its financial and profit position. (See SALES MANAGEMENT for December 20, 1930).

8. Sales progress charts were prepared weekly for salesmen, by product lines and by territories, as a guide in developing the "spirit of the game."

9. Lines were studied to reduce the number.

10. The entire business was put on a progressive budget basis, with results shown *graphically*—and currently.

At the end of the six months under consideration the results were:

1. Sales volume increased over quota set.

2. Profit and loss goal exceeded.

3. Anticipated inventory reductions approximately attained.

4. Payables substantially reduced.

5. Product lines cut practically in half.

6. Time of goods in process cut nearly in half.

7. Labor costs substantially reduced.

8. New objectives set for the ensuing six months.

As important as this work was to this company, as significant as the gains made, they were only incidental to a much more vital result, a result of far-reaching importance to industry as a whole—the conviction, and then the proof, that sales volume and profit margin could be *planned ahead and the scheduled results approximately attained*.

Out of this episode came this idea: that if production could be placed on a "plan and control" basis, in a defi-

nite and regular way, as it had been through the development of an engineering technique in our plants, it was, likewise, possible to plan and control income and outgo as to result in "profit assurance."

Let me illustrate what is in mind in the form of a table, shown below.

There is not a single responsible executive reading this who would build a plant, install machinery, manufacture a product, organize a sales force, or initiate a great advertising campaign, without first planning and then controlling the various steps from mental concepts through to final results. We call it "engineering" (the root word of which is *ingenuity*), and all to the end that there may be profits as the goal—and a legitimate one—of business.

Should all other factors be *engineered*, and profits—the end in view—left to accident, chance and blind faith?

Why isn't it just as logical to engineer profits.

This is what companies A and B did.

ANALYSIS OF SALES DOLLAR

Sales Dollar Items	Usual formula	Tomorrow's formula	
		Systematic (Usual budgeting)	Scientific (Budgeting- PLUS)
<u>Sales income</u>	\$1.00	\$1.00	\$1.00
<u>Outgo:-</u>			
Profit	\$0.00	\$.10	\$.10
Fixed expenses	<u>0.00</u> <u>0.00</u>	<u>.15</u> <u>.25</u>	<u>.14 (a)</u> <u>.24</u>
<u>Balance</u>	1.00	.75	.76
Material	.32	.30	.29 (b)
Labor	<u>.18</u> <u>.50</u>	<u>.15</u> <u>.45</u>	<u>.14 (c)</u> <u>.43</u>
<u>Left for overheads</u>	.50	.30	.33
M'fg overhead	.20	.16	.15)
Adm. overhead	.10	.05	.04) (d)
Sales overhead	<u>.25</u> <u>.55</u>	<u>.11</u> <u>.32</u>	<u>.09)</u> <u>.28</u>
<u>Profit or loss</u>	- .05	- .02	+ .05
<u>FINAL PROFIT OR LOSS</u>	- .05	+ .08	+ .15

- (A) Reductions arising from proper analysis of "uncontrollable" items of the fixed and semi-fixed costs
 (B) Reductions arising from research and waste elimination in materials
 (C) Reductions arising from waste elimination in labor and wage incentives
 (D) Reductions arising from scientific study of all items of variable overheads, and the use of "cost reduction possibility curves."

Should all other factors in industry be engineered and profits—the end in view—be left to accident, chance and blind faith?

In the case of A, the sales were a million a year, with one turnover of capital to sales yearly. For a period of years its profits were about \$30,000 a year, or approximately 3 per cent on the capital investment. Subsequent to substituting the ante-mortem for the "waiting - until - the - end - of - year - and - what's - our - profits" basis, earnings increased to nearly \$200,000 yearly, with some increase in volume, netting substantially 18 per cent on the investment.

In the case of B, earnings on capital have been *minus* 2 per cent yearly for a period of five years. Subsequent to looking at the matter of profit-making from engineering angles, earnings for the following eight years averaged *plus* 12 per cent yearly.

Now, these were not miracles at all. Accident, chance and blind faith had been eliminated in favor of "predetermination," developing plans and then *working the plans*, "roping and branding" the profit dollars instead of leaving it all to a wish and a prayer.

What "machinery" needs to be installed? The answer is—budgeting!

The budget is the industrial "plan of affairs" corresponding to the plan of campaign of a military general, or the plans and specifications of architect and builder. And here is a definition of budgeting that should be made a part of the work of every executive and controller:

"The art of *planning* and then *controlling* the making of the required 'excess' of the income over the outgo."

British Car Now Sold on Basis of Actual Running Costs

A NEW and unique plan for selling motor cars based on actual running costs has been introduced by the Jowett Motor Manufacturing Company, Ltd., of Idle, Bradford, England. This firm has always endeavored to impress the motoring public with the fact that their products are remarkably cheap both to run and to maintain, and the new selling plan proves that they are willing to stand by their claims to the fullest extent.

A new Jowett is bought at the retail price of £165 (\$825) in the usual manner. The company and the purchaser enter into a mutual agreement in which the purchaser consents to pay two and a half pence (five cents) for every mile that the car runs up to a total of 15,000 miles during twelve months. The firm agrees to

A business accepting this definition cannot do else than be sure of its profit return.

The 1931 model of the business machine will have some new devices, if the formula for tomorrow as indicated herein is used in its design. These devices will emphasize not only the importance of profits, but the means for "assuring" them. The profit gauge on the instrument board will be set at the profit requirement, and the moving needle will tell the relation of actual results thereto and we will be hearing of a new phrase—"profit deficit" (the amount by which the profits have not been made). The sales and cost gauges will indicate the variations from the predeterminations—*currently*. Another gauge—and a most important one—will show what December 31, 1931, will mean to the final profit and loss figure, at the rate the business is now going, if the variations (if any) are not offset by "better" sales (not necessarily larger sales), improved operations of plant, more efficient conduct of office, better engineering and the like.

Human ingenuity (engineering) can be a match—anytime, anywhere—for subnormal results. The trouble is, in most cases, that this tremendous power of the combined thinking of an entire personnel is not harnessed, focused and used to the end that the business may be successful in the economic sense—profitable.

So then, if you want "black ink" for 1931 (and not an anemic shade either)—*get busy now!*

There are no restrictions regarding the purchase of supplies or repairs, though the firm naturally prefer repairs to be done by their own or agents' mechanics.

The cost to the purchaser may be summed up briefly as: First year: cost of new Jowett, £165 (\$825); 15,000 miles at 2½d per mile, £156 5s. (\$781); total, £321 5s. (\$1,606); Second year: cost of new Jowett, nil; 15,000 miles at 2½d per mile, £156 5s. (\$781); total, £156 5s. (\$781).

The only condition is that it must be clearly understood that the minimum mileage in any one year shall not be less than 15,000.

If it be desired to undertake the contract on an annual basis, and the mileage exceeds the minimum of 15,000 miles, the excess mileage shall be charged at the flat rate of 2½d. a mile.

From this it will be seen that the plan is not a paying proposition for anyone whose mileage is less than 15,000 a year. But to those who are given a traveling allowance in excess of 2½d. per mile it cannot fail to present an attractive proposition.

Favors Good Driving

One or two features that make the plan even more attractive, but which are not immediately apparent, have to do with gasoline and oil consumption. The arrangement for gasoline consumption is on the basis of thirty-five miles a gallon, whereas a Jowett in decent trim will do between forty and fifty miles if driven intelligently.

Secondly, the basis of oil consumption is taken at 750. This again is in the purchaser's favor, because these cars do, roughly, 1,000 miles to a gallon of oil.

In addition to the rebate of the unexpended balance of £25 (\$125), allowance for repairs and decarbonizing, there are these two other "come-backs" as a reward for careful driving. The scheme gives complete car maintenance and renewal for less than 2½d. a mile.

The client is expected to take his car to the agent with whom he has his contract to have the speedometer checked, a bill presented for the mileage run, and credit allowed for gas, oil and repairs purchased by him during that month. The speedometer is suitably sealed and rendered untamperable, of course.

Aid Building in Orient

The United States Bureau of Foreign & Domestic Commerce has established a Foreign Construction Division, with headquarters in Seattle, to promote American business in the foreign construction field, especially in the Orient.

pay the annual tax, insure the car with a tariff company under a full comprehensive commercial policy, pay for all gasoline at 1s. 6d. (thirty-six cents) per gallon on a basis of thirty-five miles per gallon, pay for all oil at 7s. 6d. (\$1.50) per gallon on a basis of 750 miles to the gallon, pay for tires and tubes, pay for all repairs and maintenance up to £25 (\$125) for 15,000 miles, with a 50 per cent rebate of the unexpended balance of the £25 (\$125) should that sum not be fully expended within the period, and at the end of 15,000 miles supply a new car free.

In addition, should the car be laid up for repairs, the insurance policy provides that they will supply another car during that period, on the same basis of two and a half pence per mile.

Contributing to this article:

Monroe Calculating Machine Co.
Brandt Automatic Cashier Co.
Portable Adding Machine Co.
Beacon Falls Rubber Shoe Co.
Syracuse Washing Machine Co.
Diamond Match Company
Dennison Manufacturing Co.

Smokador Company
Standard Brands, Inc.
Spool Cotton Co.
Eagle Pencil Co.
National Lead Co.
E. R. Squibb & Sons
Wayne Company

How Fourteen Concerns Handle Split Commission Arguments

BY HERBERT KERKOW

ORDERS sold in one territory and shipped to another still cause trouble in many concerns and precipitate the perennial split commission arguments. A recent canvass of a number of leading manufacturers in various lines shows a definite trend, on split commission policies, toward the setting up of iron-clad rules to cover such cases when they arise. Only a few companies reporting said they adjusted such situations through weighing the factors involved in each individual sale.

Of those that had set policies, most favored a fifty-fifty split. Others that did not favor an even split allocated the full commission to the salesman in whose territory the order originated, while others thought the salesman into whose territory the merchandise was shipped should receive the full commission.

These questions were asked fourteen firms:

1. On what basis should commissions be paid when the buying office of a concern is in one territory and shipments are made into territories of other salesmen, the shipments being billed to the home office?

2. On what basis should commissions be paid when the home office is in the territory of one salesman, at which point orders are issued, but billing is made to the various branches, to which shipments are made in other territories? As a rule, in many of these cases both offices have to be sold.

The character of the business seemed the determining factor in what percentage to allocate. Businesses where service, that is installation, maintenance and training the customer in the use of the product, is important, compensated both ends of the

sale. Firms selling a staple commodity were usually found to be unwilling to divide compensation between two sales offices. Of those firms that do split commission the extent of the service and potential repeat business on the delivery end largely determines the proportion of the split. This is true of the Monroe Calculating Machine Company, according to Ray Cummings, vice-president in charge of sales, who says:

"In our business, service after the sale is of paramount importance—installation, instructional and mechanical—and therefore we throw the weight of the commission to the man who is responsible for doing the job after the order is issued. Thus: Where a salesman in one territory procures an order for a machine to be delivered and used in another salesman's territory, the salesman who gets the order is credited with one-fifth commission, and the salesman in whose territory the machine is to be installed and serviced gets four-fifths commission. This rule applies regardless of where the billing is done."

Another specialty seller, C. R. Acker, vice-president of the Brandt Automatic Cashier, finds "that the point of delivery is a decided factor in obtaining business, and that the salesman in whose territory delivery is made usually does more work on the deal than the one working through the main office." Consequently this company pays one-third commission to the salesman obtaining the order from the buying or purchasing point, located in his territory, and two-thirds to the salesman in whose territory delivery is made. The Syracuse Washing Machine Corporation goes the whole

way and pays commission on the basis of the point of shipment.

In the case of dealers, the Portable Adding Machine Company, Inc., has a set split remuneration policy in order to assure its customers of a national service and prevent complaints that might occur if a dealer who sold the order shipped machines to his customer's branch offices without any assurance of local service or contact at the point of use. Carl Gazley, general sales manager, recommends to his dealers that when they sell a machine where delivery is to be made in another city, the transaction be cleared through the New York sales department of the company and delivery be made direct from the company's factories. Here is how a typical situation works out, according to Mr. Gazley:

"A dealer sells a machine to Jones & Company in his city for delivery to the firm's branch office at Akron. The dealer requests the Portable Adding Machine Company to make delivery through its dealer in Akron. The machine is shipped, charges prepaid, to the Portable dealer in Akron with instructions that he make a careful final inspection and install the machine in Jones & Company's Akron office and fully instruct the operators regarding the machine's use.

"Portable invoices the original dealer at dealer's net price plus express charge, plus \$7.00. This \$7.00 is credited to the dealer in Akron, who makes the delivery, as compensation for his installation, instructions and future guaranteed service. The dealer who made the sale will invoice his customer directly in the usual manner. The only part the Portable Add-

(Continued on page 378)

BY
D. G. BAIRD



Photo by Ewing Galloway.

Like endowment insurance, the All States Life plan enables members, alumni or other interested persons to establish a fund for the benefit of a favored institution, but unlike it, the policy is made payable to a designated beneficiary instead of to the institution.

All States Life Opens a Big Market among College Alumni

CHARACTERIZED by insurance authorities as a unique application of an old idea, and fully approved by them, the modified group-endowment insurance plan developed by the All States Life Insurance Company, Montgomery, Alabama, has been a major contributing factor in the record-breaking growth of this young company, according to Ben W. Lacy, president.

Briefly, the plan is to execute a master contract with an institution whereby the institution furnishes the company a list of its members, alumni or other interested persons and encourages them to take out individual life insurance policies with the company on which special dividends are payable to the institution to create and maintain an endowment fund.

The plan is thus an adaptation of both group and endowment insurance, neither of which is at all new, but it differs from either of these older plans in many respects.

Like group insurance, it enables the

company to reach prospects in a wholesale way, simplifies collections and minimizes lapses; unlike group insurance, the insured pays the full individual rate and so long as he pays the premiums when due, the policy continues in effect, regardless of changes of employment or residence.

Like endowment insurance, it enables members, alumni or other interested persons to establish a fund for the benefit of the favored institution; unlike endowment insurance, the policy is made payable to one's relatives or other designated beneficiaries instead of to the institution, the insured contributes only about what he ordinarily would receive in dividends on his policy, and the institution is provided with a guaranteed annual income, beginning at once, instead of having to wait for the maturity of the policy or the death of the donor.

Another advantage to the institution is that the plan provides a large, guaranteed income during the first five years thus making a considerable

fund available at a time when the number of contributors is necessarily small, and a smaller guaranteed income during the next fifteen years, when it is to be expected that the number of contributors will be larger. Specifically, the endowments are at an average rate of approximately \$15 per year per \$1,000 of insurance during the first five years and about \$3.50 during the next fifteen years. These endowments are guaranteed; in addition, they may be increased, particularly during the later years, by the actual dividends earned and paid by the company.

The insurance provides the usual protection for one's beneficiary, at the usual rates and in the usual way, and at the same time provides a substantial endowment for the institution without asking one to make any direct contribution to the fund; all one is asked to do is merely to take out some life insurance with this company and to forego the usual dividends on the policy which otherwise would serve to

reduce the premiums or would apply on additional insurance.

The policy itself is the usual standard, twenty-payment life form, containing the usual conditions and provisions, including cash values, loan values, paid up insurance, extended insurance, the right to change beneficiary, the right to assign the policy, the right to take out short term loan insurance, the right to convert to any higher premium form of insurance, thirty days of grace, incontestability after one year, etc.

On its face, however, is lithographed the emblem of the institution to which the dividends are assigned and at the bottom of page one the name of the institution is printed. This, obviously, is just a bit of psychology to arouse the sentiment of the prospect and encourage him to do his part for the institution.

Then attached to the form is a sheet of twenty numbered endowment coupons, one for each year. These are commonly assigned to the institution by the insured at the time he makes his application.

The applicant takes out as much insurance under the plan as he desires—he is urged to take at least a \$1,000 policy. Thus, if only one thousand interested persons, such as the alumni of a college, take out \$1,000 each, the institution is assured an income of about \$15,000 a year for the first five years and of about \$3,500 a year for the next fifteen years. A \$25,000 policy will amply provide for one full scholarship, or five alumni together may take \$5,000 each and so provide a scholarship.

Origin in Group Insurance

"The plan had its origin in the usual conception of group insurance," Mr. Lacy said. "We simply conceived the idea that some of the greatest advantages of the group insurance plan could readily be applied to institutions and organizations. The endowment features followed and served to strengthen the plan materially.

"We first execute a master contract with the institution or organization. It furnishes us a complete list of prospects, generally numbering several thousand, and also encourages them to cooperate with us, usually by sending them a circular letter, on its letterhead and signed by the head of the organization, outlining the plan and its benefits and telling them that our representative will call on them. In some cases members of an organization have also made personal calls in our behalf.

"If the prospects are scattered, as the alumni of a college are, we classify

them by states and counties and furnish the proper list to each of our agents.

"In selling, the agent has a long list of the livest possible prospects; men who will welcome him cordially and listen to him attentively and who are already favorably disposed to accept his proposition. At the conclusion of the interview he is more than likely to get a check.

"We pay our agents the usual commission, with the exception that on these twenty-payment policies, the endowments under which are payable to institutions, we pay them the first year only the commission on the premiums we receive which approximates what would have been paid on an ordinary life policy. This small saving enables us to make the dividends a little more liberal.

Plan Helps Agents

"On the other hand, our agents obviously are in position to earn far more than the average, because of the assistance in selling which this plan gives them. Some of our men have written as much as a million dollars of insurance a year who, without the aid of such a plan, could not have written as much as two or three hundred thousand with the same effort.

"We are a young company and young companies usually find it necessary to pay very high commissions in order to compete with the older, well-established companies. We pay no higher commissions than the scale allowed by the New York law and our business is acquired at exceptionally low cost, even for an old thoroughly seasoned company.

"Incidentally, we believe that we sold more insurance during our first year in business than any other life insurance company ever sold in its first year. We will probably make a larger percentage gain this year than many other life insurance companies and our actual dollars gain will be considerably more than that of many older and larger companies.

"Another thing this plan has done for us has been practically to do away with lapses. Lapses, you know, are the bugaboo of the life insurance business. We are profiting by group psychology in the sale of insurance. When premiums are paid to the mayor of a city or the recorder of deeds of a county or a bank that is a member of the bankers association, we can step out of the picture and get an uninterrupted payment of premiums because there is no dunning or so-called conservation work possible or necessary.

"In one south Alabama town we insured practically every registered white

voter and, in the course of sixteen months, we have had only three lapses. The premiums are payable to the mayor of the town on a monthly basis, too!

"We first introduced this plan during the summer of 1929. Since then we have executed master contracts with over two hundred national and state banks, one town, one county, a considerable number of industrial enterprises and eight colleges and universities.

"The first of these colleges was lined up about the first of September, 1930, and we waited for a time to see how that was going to work out before approaching others with the plan. It has proved highly successful and we are now going ahead with numerous others."

Here Mr. Lacy produced a photostat copy of a letter from the president of the Alumni Association of Alabama Polytechnic Institute, praising the plan enthusiastically. To quote just a few sentences from this letter, which was acknowledging receipt of a remittance of \$3,020.55:

"The amount received by us represents four or five weeks of energetic work. Looking over the list of more than one hundred alumni who immediately rallied to the support of Auburn, I find such distant points as Brooklyn, New York, Arlington, Virginia, and Charleston, South Carolina, represented. I am informed that your representatives have over \$750,000 of additional business listed and pledged and I predict sound, increasing and gratifying results during the first year of operation of our insurance plan."

Universities Now Lined Up

Mr. Lacy also has letters of approval from the president of the institute and from the head athletic coach.

Other universities and colleges already signed up include the University of Alabama, University of Georgia, University of the South, Oglethorpe University, Mississippi Agricultural and Mechanical College, Spring Hill College and Howard College.

Arrangements with several other universities are pending.

"We now have about 30,000 names of alumni listed by counties and every one of our agents has a considerable list of such prospects," Mr. Lacy said. "It is a little early yet to determine the volume of such business to be secured, but we think that, to begin with, we can count on about \$1,000,000 of insurance for every two thousand alumni. It should increase as

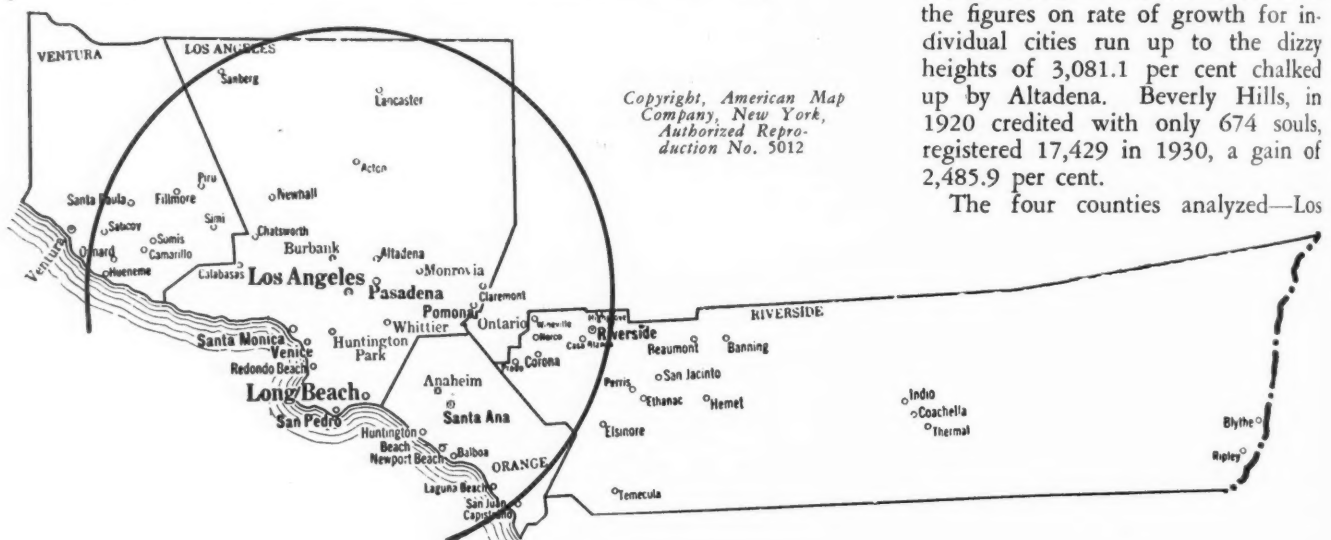
(Continued on page 378)

Population Studies of Principal Markets and their Tributary Areas

The outline of tributary areas, as shown by map and text, is advanced only as a rough approximation (keeping to county lines) of the trading area of each major market. Audit Bureau of Circulations statements were consulted for the definition of "carrier limits," "trading radius" and "eight largest cities within trading radius." See notes for sources of additional material on each market.

Number Five: Los Angeles

(A.B.C. Trading Radius: 40 Miles—Shown by Circle on Map)



WHAT is in many ways the most remarkable population analysis in this series is presented this week in the figures on Los Angeles and its tributary territory. The growth, during the past decade, of municipal Los Angeles (includes Hollywood*, San Pedro and Venice) and smaller cities within its trading radius can be characterized as nothing short of phenomenal. While Long Beach is listed as one of the eight largest cities within the Los Angeles trading radius, its size and its rate of growth entitle it to consideration as a major market in itself.

In 1920 municipal Los Angeles

*Hollywood's population is about 158,000—exact figures are not available.)

ranked tenth in size among all cities in the United States. By 1930, with an increase of 114.7 per cent, it jumped to fifth place, having passed Pittsburgh, Baltimore, Boston, St. Louis and Cleveland. As the country's most rapidly growing market, therefore, Los Angeles deserves special and individual consideration by men in charge of marketing.

Pasadena is the only city over 10,000 within the A. B. C. carrier limits of Los Angeles. It increased 67.8 per cent in population between 1920 and 1930. The eight largest cities within the carrier limits gained 105.6 per cent (this figure does not include San Pedro and Ocean Park—see table), while other cities within the trading radius gained 262.5 per

cent (this figure does not include Venice—see table). Even in this highly unusual market the same trend marked in the previous studies in this series (New York, Chicago, Philadelphia, Detroit)—that is, the more rapid rate of development in suburban areas than in the city itself—is evident.

Not one of the principal cities within the A. B. C. trading radius failed to hit a pace of at least three times the rate of national growth. The population growth for the country as a whole was 16 per cent. The lowest gain showed by any sizable city within the Los Angeles trading radius was the 53.5 per cent credited to Riverside, which, even at that, is almost four times the rate of growth for the nation as a whole. From there the figures on rate of growth for individual cities run up to the dizzy heights of 3,081.1 per cent chalked up by Altadena. Beverly Hills, in 1920 credited with only 674 souls, registered 17,429 in 1930, a gain of 2,485.9 per cent.

The four counties analyzed—Los

Angeles, Orange, Riverside and Ventura—increased 128.7 per cent. In these combined areas the per capita spendable income is \$1,299.

Figures presented on total and per capita spendable money income as tabulated are taken from an original statistical study made by SALES MANAGEMENT and presented, complete, in the annual reference number of this magazine issued September 27, 1930. For a full explanation of the method through which those figures were evolved see pages 9, 10 and 11 of that issue. The figures on per capita spendable income as tabulated in this series of studies do not agree in all cases with the figures printed in the reference issue, since they have been corrected to correspond with the final

An Analysis of 1930 Population Figures for Los Angeles and Surrounding Territory Compared with 1920

The tabulations and analysis presented in this series are original with SALES MANAGEMENT and are copyrighted. Reproduction, except by permission, is forbidden.

Cities	Miles from Los Angeles	Population 1920	Population 1930	Per Cent Gain or Loss	Counties	Population 1920	Population 1930	Per Cent Gain or Loss	All Spendable Money income 1929 (000 omitted)	Per Capita Spendable Income
Los Angeles		576,673	1,238,048	114.7	Los Angeles	936,435	2,208,492	135.8	\$2,977,209	\$1,348
* Pasadena	7	45,354	76,086	67.8	"					
** Pasadena		See above			"					
** Whittier	17	7,997	14,822	85.3	"					
** Long Beach	22	55,593	142,032	155.5	"					
** Pomona	32	13,505	20,804	54.0	"					
** Monrovia	17.99	5,480	10,890	98.7	"					
** Santa Ana	16.7	15,485	30,302	95.8	Orange	61,375	118,674	93.4	116,671	983
** San Pedro	25.77	Included in Los Angeles			Los Angeles	See above				
** Ocean Park	15.66	Included in Santa Monica			"					
** Venice	19.33	Included in Los Angeles			"					
** Santa Monica	17	15,252	37,156	145.5	"					
** Huntington Park	5	4,513	24,591	444.9	"					
** South Pasadena	8.7	7,652	13,730	79.4	"					
** Alhambra	9.45	9,096	29,472	224.0	"					
** Glendale	7	13,536	62,736	363.5	"					
** Beverly Hills	7	674	17,429	2,485.9	"					
** Burbank	12	2,913	16,662	472.0	"					
** Compton	10.92	1,478	12,516	746.8	"					
** Altadena	12	440	17,957	3,081.1	"					
** Inglewood	10	3,286	19,480	492.8	"					
** South Gate	5.5		19,632		"					
** Riverside	57	19,341	29,696	53.5	Riverside	50,297	81,024	61.1	68,773	849
** San Buenaventura	77	4,156	11,603	179.2	Ventura	28,724	54,724	91.4	36,739	671
** Anaheim	24.61	5,526	10,995	99.0	Orange	See above				
** Fullerton	21.3	4,415	10,860	146.0	"					
TOTAL FOR AREA						1,076,831	2,462,914	128.7	\$3,199,392	\$1,299

* Cities over 10,000 within carrier limits (A. B. C.)

** Eight largest cities outside carrier limits, but within trading radius (A. B. C.)

*** Other cities and/or counties over 10,000 within A. B. C. trading radius.

"Miles from Los Angeles" figures are from the Official Guide of the Railways, and, in a few instances, automobile road maps.

1930 population figures as compiled by the Bureau of Census. At the time the Reference Issue was printed only approximate figures were available.

Market information about the Los Angeles area may be obtained from: Los Angeles: *Daily News, Examiner, Express, Herald, Record, Times* and Los Angeles Chamber of Commerce; Glendale: *Herald, News-Press*; Hollywood: *Citizen, News*; Long Beach: *Press-Telegram, Sun*; Pasadena: *Post, Star-News*.

Previous studies in this series covered New York City (January 31, 1931), Chicago (February 7, 1931), Philadelphia (February 14, 1931) and Detroit (February 21, 1931). A similar study of the Cleveland market will appear next week. Cities are being presented in the order of size of municipal population.

Chains Pick Washington

The third annual convention of the National Chain Store Association will be held at the Mayflower Hotel, Washington, October 8-10. Albert H. Morrill, of the Kroger Grocery & Baking Company, Cincinnati, is president.

Kester Elects Englehart

F. C. Englehart, former general manager and treasurer, has been elected president of the Kester Solder Company, Chicago, largest maker of flux-core solders. J. A. Reitzel, sales promotion manager, is now general sales manager.

Camel Launches \$50,000 Contest to Push Cellophane Wrappers

Half- and full-page advertisements are being run by R. J. Reynolds Tobacco Company, Winston-Salem, North Carolina, in almost every daily and weekly newspaper in the country, to announce a contest, with prizes totaling \$50,000, for the best two-hundred-word answers to the question, "What significant change has recently been made in the wrapping of the Camel package containing twenty cigarettes and what are its advantages to the smoker?"

The first prize will be \$25,000; second and third, \$10,000 and \$5,000, and there will be numerous smaller prizes.

Magazines, radio and outdoor media will also be used to promote the new Cellophane wrapping for Camels.

The contest will close at midnight, March 4. The judges are Charles Dana Gibson, artist and chairman of the board of Life Publishing Company; Ray Long, president of International Magazine Company and editor of *Cosmopolitan Magazine*, and Roy Howard, chairman of the board of the Scripps-Howard Newspapers.

The newspaper and magazine adver-

tising for Camel cigarettes is now being handled by Erwin, Wasey & Company, New York.

The plans of the Reynolds Tobacco Company to market Camel cigarettes in Cellophane wrappers were announced in the January 30 issue of SALES MANAGEMENT. In this connection it might be noted that P. Lorillard Company is now testing Cellophane wrappers on its Old Gold cigarettes in the Connecticut territory. Among other brands on which they are now used are Smiles, Wings and Tally-Ho.

Rit Promotes Pankow; Extends Advertising

R. G. Pankow, formerly general sales manager, has been appointed vice-president in charge of sales of Rit Products Corporation, Chicago, maker of dyes, cleansers and soap powders. "We are going to spend approximately 40 per cent more money for advertising in 1931 than in any previous year," Mr. Pankow told SALES MANAGEMENT. "The campaign is in charge of Aubrey & Moore, Inc., Chicago."

Government in Business

This department, reporting the latest news of interest to marketing executives from government and other authentic sources in Washington, will appear every week in this magazine. It is furnished by the Washington Bureau of SALES MANAGEMENT.

Bonus Reaction

Although reaction to the veterans' bonus and other vote-buying activities of the present Congress comes too late for any immediate salutary effect, it may mark the beginning of the end of political raids on the Treasury. Numerous members of both Houses have expressed surprise, and some of them amazement, because of the many protests from business men and trade organizations against all recent measures that carry a benefit to well organized minorities for their political support.

It also has been made evident that a large number of veterans resent the implication that their political support can be bought. It is possible that the bonus will lose almost as many votes as it will gain for Congressmen, within the ranks of the veterans. And there is no doubt that the members of both Houses who voted for the bonus, drought and Muscle Shoals measures have lost caste with the business interests of the country.

The best safeguard against raids of the kind and all attempts to put the Government in private business is the protest of business men, and business interests are evidently beginning to make themselves heard. As one Congressman recently expressed the proposition to the writer:

"Congress will adopt more businesslike methods when the business men of the country take the trouble to advise their Senators and Representatives as to their preferences and convictions, both individually and through their organizations. As it is, organized minorities exert a powerful influence because of the loud noise they make. They deluge the members of both Houses with their appeals and petitions, while the opposition, which may be stronger, is largely inarticulate. I have no doubt that we have about reached the time when political righteousness squares with economic principles; but it will require considerable effort to convince the majority of the members of Congress of the fact."

No Census Trading Areas

Officials of the census of distribution have not been able to determine a satisfactory method of working out trading areas, and it is probable that they will abandon the proposition. It appears that every attempt to establish areas for all industries in general would result in misleading indications, and the officials have about reached the conclusion that it is impossible to compile statistics of the kind without creating a distorted picture for certain industries.

Therefore, it is likely that the purpose will be to furnish as much detail as possible in the published figures, so as to enable individual companies, as well as entire industries, to work out their own marketing areas.

Naval Stores Investigation

Southern industrialists, as well as manufacturers who are selling in southern markets, will undoubtedly benefit from the investigation of the naval stores industry about to be launched by the Department of Commerce. Turpentine and resin are the major products of the industry, and the south is the world's chief source of supply. Annual production averages \$60,000,000, requiring the employment of about 60,000 men in Alabama, Florida, Georgia, Louisiana, Texas, Mississippi and North and South Carolina, and involves a payroll of more than \$17,000,000 a year.

The main purpose of the investigation is to find the ways and means of stimulating the use of turpentine and resin, which will aid reforestation, increase employment and build up the purchasing power of a large territory. The development of the industry has been adversely affected by changing industrial conditions. The consumption of turpentine has not kept pace with the growth of its principal consumer, the paint and varnish industry. The chief use of turpentine is as a solvent or thinner, and the price relation between it and substitutes gives it a weaker position than that of resin, which is relatively cheap.

While about 80 per cent of present turpentine sales are made to the paint and varnish trades, only about 8 per cent of the requirements of these trades are supplied thereby, because mineral thinners have been steadily displacing turpentine. The naval stores industry realizes the dangers involved and has appealed to the Bureau of Foreign and Domestic Commerce for a survey of distribution designed to bring out all the current commercial uses for turpentine, and to outline the existing channels of distribution which have a direct bearing on the entire problem.

The investigation will be conducted through the joint effort of the Chemical Division and the Merchandising Research Division, under the direction of C. C. Concannon and H. C. Dunn.

Candy Distribution

Supplementing the investigation of the retail and wholesale distribution of confectionery goods, the Bureau of Foreign and Domestic Commerce will soon issue a preliminary report on a three-months' survey of distribution of candy by manufacturers. Later, the bureau will issue a report on a twelve-months' survey of the same field which is now being compiled.

Both reports will cover the activities of seven candy manufacturers, located in different parts of the country and engaged in three forms of distribution—direct to consumers, direct to retailers and through wholesale distributors. Territorial as well as commodity analyses are being made, and the survey will determine all profitable

territories, parts of territories and items of commodities.

Since the investigation started all seven of the manufacturers involved have adopted, as soon as possible, new methods to conform to the findings, and all have reported savings and a more profitable result from sales effort.

Retail Locations

For the purpose of discovering the factors that determine retail store locations of value, the Bureau of Foreign and Domestic Commerce has started an experimental survey of all retail stores in the city of Baltimore. For several years, as in many American cities, it has been noted that trade has been drifting away from the central area of Baltimore; but the present survey is the first attempt to determine how much business is moving from the main to secondary districts.

The amount and the rate of this movement will be determined, and, as another approach, a market analysis is being made according to established retail trading areas. The figures of the 1927 experimental census of distribution are being contrasted with the figures of the 1930 census, and it is found that the elapsed time, while comparatively brief, will show well-defined tendencies.

Baltimore was selected for the experimental survey because of its proximity to Washington. While the analyses are being worked out from census figures, the investigators are checking all conclusions from observation and are doing other verifying work in the field.

While the survey is intended mainly for the benefit of retailers, it will be no less valuable for manufacturers and wholesale distributors. Several maps show the kind and location of every retail store in the city, while shaded portions of the maps indicate the various retail trading areas. The total sales of each area will be worked out and then broken down into total sales of various lines and commodities.

Also, the racial and other characteristics of the population of each area will be determined and their effect on the demand for a variety of products will be shown. When the work is completed, it is expected that the report will indicate the exact location, not only of the retail trading districts, or areas, but also the individual stores that will return the best results from the merchandising effort of a manufacturer in almost any line.

While the Baltimore report will not be ready for publication until late next summer, probably, results will be released from time to time, and preparation is already being made for a similar analysis of the trading areas of St. Louis and probably of Pittsburgh. And there is no reason why all of the cities of the country cannot be surveyed in the same way.

Pick a public that's buying—and growing

AN OPEN LETTER TO THE CLEAR-THINKING BUSINESS MEN OF AMERICA . . . THIRD OF A SERIES

Check this statement in 1932 ✓

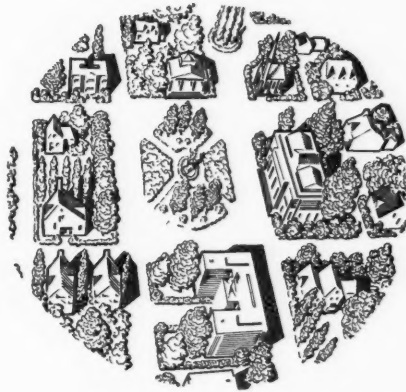
FOR those purchasers of advertising space who are scanning the business horizon today more keenly than ever before, we submit:

That there are plenty, yes hosts of good customers left for those businesses that appeal directly to the great central class of responsible men and women — people of sane mind, steady income and unshaken faith in the future.

The year 1931 is a time to take the new world as it now is, to base promotion policies on reason, to act with vigor and despatch and common sense. A year of unusual opportunity for many. But — no loafers need apply, no comets wanted, no conclusion-jumpers taken!

The recent "public relations" of *The Literary Digest* should be of special interest now to advertisers in search of a *buying, growing market*. Through its nation-wide polls, its regular radio-news broadcasts and its millions of mailings to telephone subscribers, *The Digest* has grouped its own public of alert and active families—proved responsive to advertising because their subscriptions were secured by advertising. *Good listeners*.

Almost without exception, our subscribers buy for one year only, or less.



The Literary Digest is close to the life of the times, offering immediate national publicity to the advertiser who has a message of immediate national interest. It goes to press only seven days before delivery—thus having the speed of a weekly newspaper, plus its power as the leading news magazine.

The Digest enters the best million homes with telephones, a market which buys two-thirds of all advertised commodities—and buys them first. The Digest reaches 36% of all families with incomes of \$10,000 and up. Its list of subscribers is a roster of ready buyers in the upper income brackets.

For 1931, advertisers buy a guaranteed average circulation of at least 1,400,000 preferred prospects.

The Literary Digest, be it said, enjoys the distinction of receiving the largest magazine revenue in the world from its subscription and news-stand sales. Here is a public that's *buying now*, a public whose living standards continue to rise, even in times of national stress.

In 1930, net paid circulation averaged 77,000 copies a week in excess of 1929 and 50,000 copies a week in excess of the 1,400,000 figure guaranteed to advertisers. And for the first three months of this year, *The Digest* will total 200,000 copies a week over that same guaranteed figure! Here is a great and *growing* public of constant readers.

The Digest has a higher percentage of renewals than any other magazine of large circulation. Add to that the fact that *The Digest's* reader interest and reader influence increased amazingly straight through the recent storm, and you begin to realize the advertising opportunity now open to businesses that intend to write up-curves into their records.

Go to this sound, responsible public with sound reasons for buying your product, for accepting your service. Readers of *The Digest* intend to live well this year, next year and every year. Their favor and friendship now are essential to business advance.

★ The Literary Digest ★

S O U N D I N G - B O A R D O F A M E R I C A N O P I N I O N

"The Literary Digest is known to students of the publishing business as the sounding-board of American opinion. No other periodical in history has held a similar place. Time after time, its finger laid on the pulse of the people has been the one true index of national sentiment."

ADVERTISING LINAGE & RANK

1921	1922	1923	1924	1925
Times 21,652,613	Times 24,142,222	Times 24,101,226	Times 26,283,924	Times 28,200,444
World (M) 14,520,594	World (M) 17,244,090	World (M) 17,370,838	World (M) 16,858,354	World (M) 17,237,062
Eagle 13,687,818	Eagle 15,382,124	Eagle 15,783,676	Eagle 16,659,944	Eagle 16,718,464
Herald 12,100,740	Herald 11,947,256	Journal 13,011,766	American 14,906,698	Her.-Trib. 16,525,824
Journal 10,885,820	Journal 11,789,500	American 12,997,964	Journal 14,561,374	Journal 15,057,218
American 10,355,214	American 11,211,662	Herald 11,067,210	Her.-Trib. ‡ 13,306,960	Sun 14,705,916
Tribune 9,522,745	Sun 9,620,816	Sun* 10,689,292	Sun 13,268,308	American 14,183,094
World (E) 8,927,348	Tribune 9,396,416	Tribune 9,590,400	Telegram † 8,805,720	World (E) 8,921,428
Sun 8,200,724	World (E) 8,673,406	World (E) 8,258,736	World (E) 7,928,134	NEWS 6,832,472
Globe 7,220,590	Std. Union 7,785,230	Std. Union 7,481,310	Std. Union 7,275,066	Telegram 6,655,486
Std. Union 6,915,482	Globe 7,306,734	Telegram 7,035,650	NEWS 5,850,580	Std. Union 6,365,280
Telegram 6,648,488	Telegram 6,862,302	Mail 6,568,024	Bk. Times 4,696,516	Bk. Times 5,255,662
Mail 6,263,922	Mail 5,938,340	NEWS 4,392,034	Post 4,434,416	Post 5,059,968
Post 5,574,897	Post 3,878,688	Bk. Times 4,136,330	Herald ‡ 2,355,910	Mirror 3,926,302
Bk. Times 3,441,258	Bk. Times 3,474,612	Post 4,135,756	Mirror 1,875,438	Graphic 2,186,676
Commercial 3,003,364	NEWS 3,348,350	Globe* 3,825,302	E. Bulletin 1,173,542	
NEWS 2,761,148	Commercial 2,627,136		Mail † 612,782	

NEW YORK NEWSPAPERS—1921 to 1930

1926	1927	1928	1929	1930
Times 29,788,828	Times 29,710,606	Times 30,641,930	Times 32,162,870	Times 26,353,281
Her./Trib. 18,785,853	Her./Trib. 19,133,684	Her./Trib. 19,639,113	Her./Trib. 20,909,745	Her./Trib. 17,309,805
Eagle 17,899,284	Eagle 17,282,915	Eagle 18,587,608	Sun 18,070,077	Eagle 15,840,855
World (M) 17,658,831	Sun 16,525,102	Sun 16,608,149	Eagle 17,849,172	Sun 15,788,658
Sun 16,245,237	World (M) 15,488,876	World (M) 14,139,141	Journal 14,502,609	Journal 13,281,202
Journal 14,758,009	Journal 14,001,546	Journal 14,039,215	World (M) 13,625,187	NEWS 13,208,746
American 13,112,851	American 12,680,116	American 12,436,180	NEWS 12,301,338	American 10,654,868
World (E) 9,842,432	World (E) 9,891,749	NEWS 10,432,709	American 12,281,467	World (M) 10,502,190
NEWS 7,881,770	NEWS 9,311,191	World (E) 9,940,209	World (E) 10,247,818	World (E) 9,307,836
Bk. Times 6,982,716	Bk. Times 6,087,186	Telegram 5,805,083	Post 6,201,214	Telegram 5,825,466
Telegram 5,803,533	Telegram 6,063,903	Bk. Times 5,565,738	Telegram 5,936,388	Bk. Times 5,249,702
Std. Union 5,611,732	Post 5,505,890	Post 5,551,377	Bk. Times 5,649,171	Post 4,645,582
Post 5,181,281	Std. Union 5,460,790	Std. Union 4,955,951	Std. Union 4,744,404	Std. Union 3,588,193
Mirror 3,699,719	Graphic 3,287,544	Graphic 3,082,829	Graphic 3,894,584	Graphic 3,375,295
Graphic 3,699,155	Mirror 3,138,857	Mirror 2,013,013	Mirror 2,607,645	Mirror 2,648,170

* Sun-Globe consolidation, June 4, 1923

† Telegram-Mail amalgamation, January 28, 1924

‡ Herald-Tribune merger, March 18, 1924

SOURCES: New York Evening Post through 1927,
Advertising Record Co. from 1928 on.

—from sixteenth place to sixth in ten years. . . . January 1931 brought a gain again, although twelve New York papers showed a loss. . . . Possibly you should know more about this paper? . . . THE NEWS, New York's Picture Newspaper, 220 East Forty-second Street, New York City; Tribune Tower, Chicago; Kohl Building, San Francisco.

Two of the ten prizes of \$1,000 each in the 1930 awards were won by Batten, Barton, Durstine & Osborn—one for the best "general or institutional campaign" (Baltimore & Ohio Railroad); the other for "effective use of headline" (Electrolux refrigerators.) The Bakelite advertisement, below, was one of a series which the jury believed to be the outstanding campaign of the year for industrial products. A news article on the awards appears on the next page.

As *SILENTLY*

Electrolux not only is
noiseless when you buy it,
but noiseless forever after

In some ways Electrolux even improves on nature's freezing method. It is just as noiseless. Almost as simple. And a whole lot more dependable.

Open the door any hour of the day or night and you'll find crisp steady cold, pure sparkling ice cubes, always inside, but you'll never hear a sound.

A tiny gas flame about the size of a pilot light and a trickle of water are the secret of this refrigerator's silent, sure, low-cost operation. These two things take the place of all machinery. They circulate the vital cold-producing refrigerant—a refrigerant that is sealed in rigid steel and never needs renewal.

You know how relatively cheap gas and water are. And Electrolux uses only a small quantity of each. That's why it costs so little to run . . . only 45 to 70 cents a week, less than you probably now pay for ice.

There is not a single moving part to Electrolux. Not a speck of machinery. And hence no chance for noise to develop. No vibration. No wear. No trouble. Nothing to fuss with. Think what such perfect simplicity means to you as time goes on.

Even the tiny gas flame in Electrolux is safe-guarded. Should the flame ever go out for any reason, the gas automatically shuts off until you light it again.

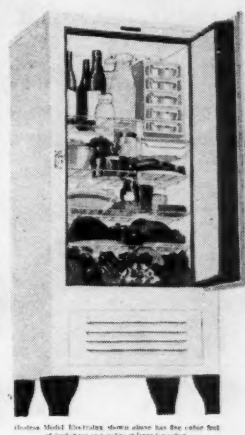
Don't fail to see Electrolux at the nearest display room of your gas company or other distributor. Many sizes and models in white and colors. Prices about the same as other makes—\$195 to \$430 at the factory, with liberal purchase terms. For complete illustrated information by mail, write Electrolux Refrigerator Sales, Inc., Evansville, Indiana.

ELECTROLUX
THE *Gas* REFRIGERATOR

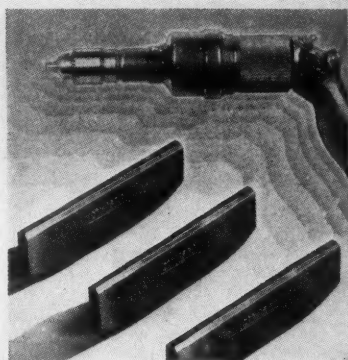
as nature
makes ice



A tiny gas flame takes the place of all moving parts



Electrolux Model Electrolux shows about the color and of such space saving models as large for colors



Bakelite motor blades of
Bakelite Molded Independent Pneumatic
Tool Co., Chicago, Ill.

BAKELITE MOLDED BLADES WITHSTAND WATER, OIL AND TREMENDOUS VIBRATION

The blades of the rotary Air Motors are subjected to extremely severe service. They must resist oil, water and high temperatures.

They must be strong enough to withstand tremendous vibrations as they move in and out of the slots of the rotor thousands of times a minute. They must be free of grit and light of weight to prevent undue friction against the stator.

The Independent Pneumatic Tool Company experimented for a number of years with many different types of materials. They tried metals of all kinds, hardened and soft, as well as various types of fibre, celluloid and rubber compositions. They found that Bakelite Molded (CM-1106) was the only material to date that came close to their very exacting requirements.

Bakelite Engineering Service—the manufacturer of a wide variety of general moulding materials, resins, fillers, novolacs, and other products. Twenty years experience in the development of these materials for mechanical and other uses, provides a valuable background for the cooperation offered by our engineers and laboratories. Write for Sample 34 M.

BAKELITE CORPORATION, 247 Park Avenue, New York. CHICAGO OFFICE, 635 West 22nd Street
BAKELITE CORPORATION OF CANADA, LIMITED, 103 DuPont Street, Toronto, Ontario

BAKELITE

THE MATERIAL OF A THOUSAND USES



"Sonny," he said,
"you had better keep quiet"

YEARS AGO a boy started working on a railroad. The first advice which he received from an older employee was somewhat like this:

"If you three want your advice they'll ask for it. In the meantime, never, you had better keep quiet."

On our railroad every employee is encouraged to make suggestions. The suggestions come in that way, which is now the president of our railroad.

Between March 5, 1924, and August 7, 1925, more than 6,000 cooperative meetings were attended by men representing the management and men representing the employees in the different departments of the service. In these five years of meetings more than 30,000 separate suggestions have been discussed.

Of this total number more than 25,000, or 85 per cent, were adopted.

We who operate the B & O feel complimented when our suggestions are adopted. We try to turn to keep ourselves open-minded toward any suggestion submitted by any passenger or shipper.

This is an easy thing to say. It is also easy to claim that we try always to render the little extra services that make traveling a pleasure.

The question is, do we live up to these claims?

We invite you to come and test that for yourself. Ride with us to or from New York, Philadelphia, Baltimore, Washington, Pittsburgh, Chicago, St. Louis, Cleveland, or Detroit. Then you'll see how we perform.

The B&O

BALTIMORE & OHIO

Kendall Wins 1930 Harvard Medal; Aluminum Best Product Campaign

"For having the courage to open the pages of his magazine to controversial subjects of vital importance to advertising, and presenting both sides fairly; for attacking the use of paid testimonials which were endangering the whole fabric of advertising; and for founding *Advertising Arts*, thereby presenting a medium for the expression of art in business," Frederick Charles Kendall, publisher of *Advertising & Selling*, New York, has been awarded the Harvard medal for "distinguished contemporary services to advertising" in 1930.

One thousand dollars each in prizes were awarded for four campaigns, five advertisements and research, as follows:

"National campaign for a specific product," Gardner Advertising Company, New York (Aluminum Company of America, Pittsburgh);

"Local campaign for a specific product or merchandise," Northern States Power Company, St. Paul, management of Byllesby Engineering and Management Corporation;

"General or institutional campaign," Batten, Barton, Durstine & Osborn, Inc., New York (Baltimore & Ohio Railroad Company);

"Campaign of industrial products," Bakelite Corporation, New York, with recognition to Allan Brown, advertising manager, and Rickard & Company, Inc., agency;

"Advertisement distinguished for effective use of text," Fels & Company and Young & Rubicam, New York, for an advertisement of Fels Naptha, titled: "The Stranger They Never Forgot";

"Advertisement distinguished for effective use of illustration," Saks & Company, New York, with recognition to Jean Dupas, the artist, for an advertisement of Saks-Fifth Avenue, titled: "Coats . . . in Limited Editions";

"Advertisement distinguished for effective use of headline," Batten, Barton, Durstine & Osborn, Inc., New York, for an advertisement of Electrolux Refrigerator Sales, Inc., titled "As Silently as Nature Makes Ice";

"Advertisement distinguished for its effective use of typography," Needham, Louis & Brorby, Inc., Chicago, and Joseph J. Levin, with recognition to E. Willis Jones, for an advertise-

ment of A. G. Becker & Company, Chicago financial house, titled: "Markets on the March";

"Advertisement distinguished in its combination of the elements of illustration, headline, text and type," Steinway & Sons, New York, for an advertisement titled: "A Song for Parents." (This account is handled by N. W. Ayer & Son.)

"For research conspicuous in furthering the knowledge of the science of advertising," the Association of National Advertisers received \$1,000 for its "Cooperative Analysis of Broadcasting," conducted by Crossley, Inc., under the supervision of a governing committee of which Lee Bristol, vice-president of Bristol-Myers Company, and president of the A. N. A., was chairman.

The awards were made by Dr. Melvin T. Copeland, professor of marketing and chairman of the Jury of Award at a dinner at the Faculty Club of the Harvard Graduate School of Business Administration in Boston last night. Bruce Barton, chairman of Batten, Barton, Durstine & Osborn, and G. Lynn Sumner of G. Lynn Sumner Company, New York agencies, were the speakers.

Bernard Lichtenberg, vice-president of the Alexander Hamilton Institute and a former president of the A. N. A., announced at the meeting that plans had been completed whereby friends and admirers of the late Edward W. Bok, founder of the Harvard Advertising Awards, would present to Harvard University for the business school a fund, part of which is to be devoted to the purchase of a portrait

of Mr. Bok and the balance to provide a fund, the income of which is to be used to buy books on advertising for the school. The memorial will be a "token of appreciation for the contribution Mr. Bok made to advertising in his lifetime through his association with the *Ladies' Home Journal* and through the founding of the Harvard Advertising Awards."

The winning material in the 1930 awards will be on display in Baker Library, at the school, March 2, 3 and 4, after which it will be sent to different cities for exhibition.

The awards were founded by Mr. Bok in 1923, four years after his retirement as editor of *Ladies' Home Journal*. Since that time the Harvard medal has been presented to one organization and six individuals.

The National Vigilance Committee of the Associated Advertising Clubs of the World (now the National Better Business Bureau) received it for 1923-4; Earnest Elmo Calkins, president of Calkins & Holden, New York agency, for 1925; Orlando Clinton Harn, then advertising manager of the National Lead Company, now managing director of the Audit Bureau of Circulations, for 1926; James H. McGraw, chairman of the board, McGraw-Hill Publishing Company, 1927; Rene Clarke, art director of Calkins & Holden, 1928; Cyrus H. K. Curtis, president of the Curtis Publishing Company and of the Curtis-Martin Newspapers, for 1929, and Mr. Kendall for 1930.

Of the six men, one was an advertiser, two representatives of agencies, and three of media. Both Mr. McGraw and Mr. Kendall are business paper publishers.

Mr. Kendall was born in London in 1889. A former managing editor of *Printers' Ink*, he joined M. C. Robbins of the Robbins Publishing Company in 1923 in the reorganization of *Advertising & Selling*. Since that time the company acquired the *American Printer* and established *Advertising Art*. He was a member of the Harvard Jury of Award for 1928, and spoke on that occasion on testimonial advertising.

Headquarters of the Advertising Association of Great Britain are now located at 110 Fleet Street, London, E. C. 4.

Chicago Has Its Own "Harvard Awards"

Chicago newspaper advertisers are participating in a contest sponsored by the Advertising Council of the Chicago Association of Commerce to determine the "best" advertisements published in newspapers there between April 30, 1930, and April 30, 1931.

There will be five awards—for the best campaign, single advertisement, illustration, best copy, and layout and typography.

Ford Starts Out from Dagenham to Conquer European Market

BY R. J. POLITZER

LONDON: The great factory which the Ford Motor Company, Ltd., of England is constructing on the banks of the Thames just outside London, will form another step toward completion of Ford's plans for world distribution. There will then be three main sources of Ford production: Detroit, Windsor, Canada, and Dagenham. While Detroit will continue to supply China, Japan and Russia besides the United States and South America, and the Canadian plant the British Empire, the Ford companies operating in Europe will henceforth draw on Dagenham for their supplies. Ford's foreign sales amount to only 10 per cent of its total volume. Of the 1,951,092 Ford cars manufactured in 1929, 1,709,945 were assembled, and with the exception of a very small proportion, sold in the United States. The loss of the European markets to the Detroit factory is therefore almost insignificant and can easily be made up by more concentrated sales within the United States or, as is anticipated, by development of the South American markets. But while the Detroit factory will scarcely feel the transfer to the British factory of the production for the European and neighboring markets, the erection of a factory in England to produce these supplies within the British tariff wall is having a tremendous effect on the British motor industry. The average Ford model, which sells in the United States for \$500, has

been selling in Great Britain for \$1,000. But the construction of a factory in Great Britain—incidentally the first plant outside the United States to produce a complete Ford car—aiming at producing a complete British car will eliminate the heavy cost of importing material with the heavy transatlantic freight and import duties and meet more nearly British tastes and conditions. It is anticipated that when the new factory at Dagenham has been in production some little while that the selling price in the United Kingdom will not be much above the United States figure.

Unable to offer British motorists the overwhelming price advantage which has given Ford 40 per cent of the American car market, the Ford car has had to compete with all the popular British makes. However, with the great drop in price which the construction of a factory within the British tariff is expected to bring about, the Ford company has an excellent opportunity for doubling its sales in the United Kingdom.

This prospect has alarmed British manufacturers. At first amalgamations among the unwieldy number of separate manufacturing companies was considered, but met with no success. However, every British company has concentrated on overhauling its organization and bringing out popular models at greatly reduced prices. But Ford has been able to keep pace with such reductions. It should be noted

that the recent announcement that Sir William Morris has introduced a car selling at \$500 refers to a "baby" car. The reason why Ford may be able to outstrip the British manufacturers lies in mass production at which the new factory aims. The Dagenham plant is to have an annual output of 200,000 units, which, while insignificant beside the American production figure, is more than the total production of the whole British motor industry. Seventy-five per cent of this production is intended for export to the markets covered by Ford of England. It is doubtful whether any British manufacturer's overseas sales amount to more than 5 per cent of this total turnover.

Ford sales on the continent of Europe reached about 75,000 in 1929. Although figures for 1930 are not yet available, it is doubtful whether they will have increased materially. While the doubling of sales within the United Kingdom should present no real difficulty in view of the great margin in price which will soon be available, the doubling of sales in the continental countries, each protected by a massive tariff wall, presents a harder task. Ford prices can only be reduced in any country as an increasing proportion of materials is obtained locally. The fact that the continental companies will purchase their requirements from England instead of from America will not be very appreciably reflected in the selling price. In France, for instance, it will be offset by the recent increase in the tariff on imported cars and parts.

Ford operates in continental Europe through seven companies established, respectively, in Germany, France, Italy, Belgium, Spain, Holland and Denmark. These are controlled by the British company, which holds a 60 per cent interest in each. Each company is entrusted with the distribution in markets either geographically or colonially related to it.

Ford's share of European car registrations is at present 18 per cent. However, in small countries which have no national motor industry, Ford shares practically the whole market with General Motors. Manufacturers in other European countries have been unable to overcome the protective tariff barrier. In countries such as France, Germany and Italy, Ford claims a very substantial percentage of sales, competing successfully with the most popular and low-priced national makes. But to obtain the dominating position in the continental markets which a Dagenham export figure of 150,000 would entail, a very real price advantage is necessary.

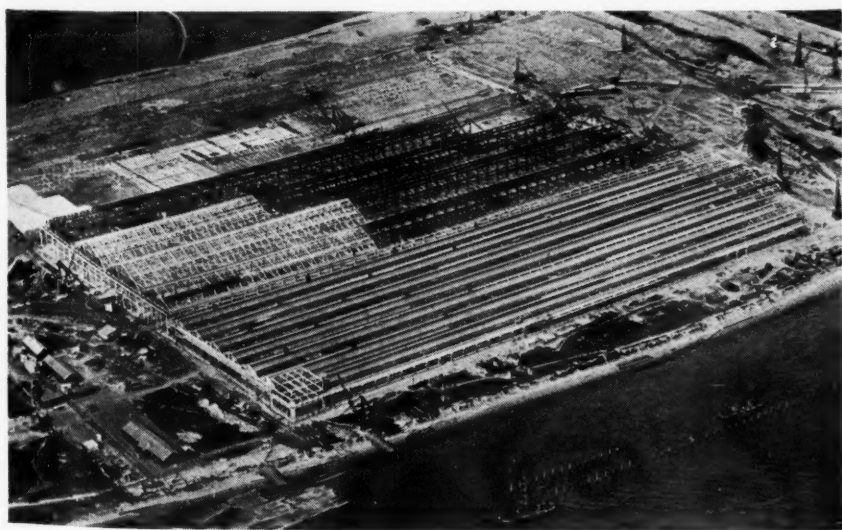


Photo by the Surrey Flying Services, London.

The Ford factory being built at Dagenham, England, will be the largest automotive plant in Europe.



This flasher device, with which 1,000 New York taxicabs will be equipped by June 1, is the latest advertising medium.

Taxis Become Advertising Medium; 1,000 Signed for New Device

Taxicabs will become an advertising medium in New York, June 1. Negotiations have been completed for equipping a fleet of 1,000 cabs with a mechanical device which will flash before the eyes of the passenger a continuous program of illuminated advertisements.

Parties to the negotiations were Terminal Cab Company, a subsidiary of General Motors Truck Company; Motor Car Advertising Device, Inc., owner of the patents; Trico Products Company, manufacturer of windshield wipers; John H. Livingston, Jr., and Taxi Advertising, Inc., who will supervise distribution. Mr. Livingston for the last sixteen years has controlled the advertising on the Fifth Avenue Coach Company's city-wide system of buses.

The device, invented by Emanuel Dobrow of New York, consists of a glass-paneled metal cylinder with a revolving axis to which is attached a series of twenty-two card-advertisements similar to those regularly appearing in motor buses.

It is to be installed on the windshield in a horizontal position at the right of the driver, with the electrically lighted interior of the cylinder visible through its glass panel. Vacuum power drawn from the motor and utilized as in most windshield wipers rotates the mechanism within the cylinder, causing the axis to revolve.

A program consists of twenty-two advertisements and runs its course in an average time of about two and one-half minutes, during which each advertisement is in view for seven seconds. The change is instantaneous. Adding to the "attention value" of the device is the fact that the speed with which the program is run

through varies, Mr. Livingston said—depending upon whether the taxi is going upgrade or down.

Mr. Livingston is completing negotiations with fleet owners in other cities which he said will result in installation in 20,000 of the machines this year. Taxicabs of New York City carried approximately 380,000,000 passengers in 1930, a larger total than the elevated, with 347,000,000; the surface railways of Manhattan with 266,908,884, and the private and municipal bus lines combined.

Oil Men Call Emergency Meeting on Marketing

Withdrawal of the Federal Trade Commission's approval on all but three of the twenty-three rules in the code of the American Petroleum Institute for marketing refined petroleum products (reported in the February 14 issue of *SALES MANAGEMENT*), has resulted in the calling of a national conference of marketers to be held under the auspices of the institute at the Stevens Hotel, Chicago, March 4. Edward G. Seubert, president of Standard Oil Company (Indiana), is general chairman of the division of marketing.

The commission issued an order, February 2, acting on a petition of the institute, to delay for sixty days the time when the decision would be put into effect.

New New England Paper

New England Association of America, Boston, has launched a magazine entitled *New England*, containing information on recreational, scenic, educational and cultural advantages of New England.

Auburn's Advertising and Sales Increase as Stock Soars

Coincident with the rise of more than 100 per cent in the price of Auburn shares on the New York Stock Exchange, N. E. McDarby, vice-president in charge of sales of the Auburn Automobile Company, Auburn, Indiana, informed *SALES MANAGEMENT* this week that his company has added 185 new dealers since January 1, and that the Auburn and Cord dealer organization now numbers 11,007.

Production has been stepped up considerably, Mr. McDarby said, and "our advertising budget is being increased 50 per cent—the principal media being newspapers, magazines and trade papers.

"February will be the largest month in the history, exceeding our previous record month, June, 1929, by approximately 25 per cent. The schedule for March includes over 5,500 Auburns and 600 Cords."

H. L. Brinck, sales manager of the Auburn Automobile Company for the last two years, has resigned.

Macfadden to Launch British True Story

An English edition of *True Story Magazine* will be inaugurated in April by Macfadden Publications, New York.

An "all-British" publication, run by a British company and staff, it will publish ultimately at least 70 per cent of its stories with British locales. Circulation is expected to be 200,000; format similar to the now popular sixpenny (12½-cent) magazines in London.

Macfadden has been publishing foreign editions of several of its magazines for some time.

G. E. Refrigerators Get Three-Year Guarantee

Full-page advertisements in newspapers of principal cities throughout the country will announce tomorrow that General Electrical refrigerators now carry a three-year guarantee.

Coincident with the launching of the campaign, the refrigeration department of the General Electric Company, Cleveland, also announce general price reductions.



-ONE KNOWS THEM BY THEIR HABITAT

Those persons who always do things well . . . one knows them by their habitat » » They have a definite capacity for living amid the niceties of life without sacrificing any of the material comforts . . . and that at moderate cost » » They may be found swimming on the Côte d'Azur . . . applauding Toscanini at Baireuth . . . making a pilgrimage to Oberammergau » » At home—in the Barbizon-Plaza library reading Aldous Huxley . . . in the Barbizon Concert Hall listening to Homer, Gabrilowitsch or Gieseeking . . . viewing the worth-while in art, in the Barbizon Petit Palais des Beaux Arts



located on the mezzanine » » This is the spirit of Barbizon-Plaza . . . a building dedicated to the privileged detachment of the cultivated mind.

Of course the building has radio in every room and many other conveniences, is located within a block of Fifth Avenue and one block from Fifty-seventh Street, and is the center of New York's Art and Music Life and is convenient to theatres and shops.

THE CONTINENTAL BREAKFAST is placed in a special recess in your door—in sealed container that keeps everything piping hot. No waiter to interrupt in the midst of a shave or shower. No charge. No tip. No delay. Pick it up whenever you are ready.

BARBIZON-PLAZA

101 West 58th Street • Central Park South • New York

Room, CONTINENTAL BREAKFAST and Bath...\$20 to \$45 weekly • Transient Rates...\$3.50 to \$6.00 daily

Gossip

Klau-Van Pietersom-Dunlap-Younggreen, Inc., Milwaukee agency, has changed its name to Klau-Van Pietersom-Dunlap-Associates, Inc., through the purchase of the interest formerly held by C. C. Younggreen. Officers are GUSTAV W. KLAU, chairman; WALTER F. DUNLAP, president and general manager; A. VAN PIETERSOM, treasurer; CHARLES S. MARCEIN, FRANK V. BIRCH, JOHN H. LEMMON and JOHN BARNES, vice-presidents; B. J. PAULSON, secretary, and LEE I. ARCHER, assistant general manager. . . . A. HEATH ONTHANK, formerly western manager of the marketing division of International Magazine Company, Inc., Chicago, and previously Chief of the Domestic Commerce Division, United States Department of Commerce, is now vice-president of National Service Company, Washington, publisher of books and magazines. . . . Huber Hoge, Inc., New York agency, has reorganized as Lyman Irish & Company, Inc.—officers being LYMAN IRISH, president; E. W. MACAVOY, executive vice-president; M. ROBERT HERMAN, FREDERICK ANDERSON, vice-presidents; PAUL TOMPKINS IRISH, secretary, and CARL HARBER, treasurer. . . . W. D. WASHBURN, for the last three years Northwest representative of the *American Home*, of Doubleday, Doran & Company, Chicago, has been transferred to Michigan and northern Ohio territory. He is succeeded by C. G. BENNET. . . . Weisbrot & Calver, direct-mail advertising, New York, has been changed to Weisbrot, Calver & Munn, with the addition of JOHN PIER MUNN, JR., formerly of Lord & Thomas and Logan. . . . J. Walter Thompson Company has opened an office at Osaka, Japan, under DAVID R. ERWIN. . . . FRANCIS H. MARLING, formerly with Crowell, Crane, Williams & Company, is now vice-president of Gamble & Company, Ltd., Chicago agency. . . . EMIL HOFSOOS, until recently a director of research and merchandising for MacManus, Inc., Detroit, has been elected a vice-president of Ketchum, MacLeod & Grove, Inc., Pittsburgh, succeeding ERNEST T. GILES, who has resigned to become general manager of sales of the National Fireproofing Corporation there. . . . FRANCIS M. ORCHARD, vice-president of Gardner Advertising Company and manager of its St. Louis agency, has been appointed chairman of the publicity committee of the St. Louis Chamber of Commerce, succeeding R. FULLERTON PLACE, advertising counselor. HARRY L. FORD, who has been with the D'Arcy Advertising Company there, is now on the Gardner staff. . . . PIETER VAN DALEN has resigned as president of the J. F. Held Advertising Company, to devote himself to advertising art, with offices in the Lloyd Building, Seattle. . . . Ryder & Ingram, Ltd., is the new name of Mathews, Ryder & Ingram, Ltd., Oakland, advertising agency, now located at 337 Seventeenth Street, with a San Francisco office in the Financial Center Building. . . . CHARLES A. PARK, JR., has become a partner in the firm of James L. de Pauli, San Francisco agency, now known as De Pauli & Park. . . . JESSE R. HARLAN, C. H. BUTLER and CHARLES M. LESLIE have formed the Jesse R. Harlan Company, Cincinnati.

Walker Heads Advertising for Vacuum Oil Company

George N. Walker, advertising manager of the tire department of the United States Rubber Company, Detroit, has been appointed advertising manager of the Vacuum Oil Company, with headquarters in New York. Frank S. Harkins, formerly sales promotion manager, succeeds Mr. Walker at United States Rubber, and N. E. McLaughlin is now assistant in charge of dealer advertising. Vacuum, one of the five largest members of the "Standard Oil Group," now spends more than \$2,000,000 yearly in advertising. Its lubricating oil advertising is handled by the Blackman Company; gasoline by Bat-ten, Barton, Durstine & Osborn.



George N. Walker

Swift Starts Campaign on Parfay Shortening

Swift & Company is releasing through J. Walter Thompson Company, advertising agency, a testimonial campaign for its new blended shortening, Parfay, introduced last year. The campaign is being built around the testimonials of women who have had marked success with it in cooking. Parfay is manufactured in the company's Los Angeles plant. Newspaper, outdoor and radio will be used.

Gotshall Joins White

Nelson S. Gotshall, formerly eastern sales manager at New York of Bishop & Babcock Manufacturing Company, has been appointed assistant to A. G. Bean, whose election as president of the White Motor Company was announced in a recent issue of this magazine.

Advertiser's Club

REALSILK HOSIERY MILLS, INC., Indianapolis, to Erwin, Wasey & Company, Ltd., Chicago.

AR-KE-TEX CORPORATION, distributing organization for Clay Products Company, Inc., Brazil, Indiana, Ar-Ke-Tex textured tile, to Sidenor, Van Riper & Keeling, Indianapolis.

CROSSE & BLACKWELL, INC., Baltimore, marmalades, jams, jellies, pickles and other food products, American advertising to Van Sant, Dugdale & Corner, Inc., of that city.

STANDARD BISCUIT COMPANY, Des Moines, Bit-O'-Health biscuits and other products, to Charles H. Touzalin Agency, Chicago. Newspapers, window display and dealer helps.

BAKER FURNITURE FACTORIES, INC., Allegan, Michigan, period dining room and bedroom furniture, to George Harrison Phelps, Inc., Grand Rapids.

G. F. WILLIS, INC., Atlanta, distributor of Sargon tonic, Soft Mass pills, Menthomulsion, Syrup of Manna and other pharmaceutical products, to Street & Finney, New York. Newspapers throughout the United States and Canada.

F. WEBER COMPANY, INC., Philadelphia, artists' colors and equipment, to Martin-Pilling-Shaw, Inc., there. Magazines and trade papers.

ALMARLIAN STUDIOS, Detroit, colonial silhouettes and reading-boards, to George Harrison Phelps, Inc., there. Direct mail, newspapers and magazines.

MILLER MUSIC, INC., New York City, UTILITY BOND & MORTGAGE COMPANY, Chicago, and "MY BUDDY" HAIR DRESSING, Detroit, to William H. Rankin Company.

SPONGE RUBBER PRODUCTS COMPANY, Derby, Connecticut, office chair seats, to Wilson H. Lee Advertising Agency, New Haven. Eastern newspapers and direct mail.

Colgate and Borden Merge Premiums

Colgate-Palmolive-Peet Company has effected an arrangement with the Borden Company whereby it will buy all the premiums used for Borden's condensed milk products. The arrangement also provides that Borden coupons are interchangeable with those of Octagon and Kirkman soap products and redeemable at any of the premium stores—thus enabling the thrifty housewife to acquire household articles under the premium plan more rapidly than before.



HEAD
AND
SHOULDERS
ABOVE
THEM
ALL

PREFERRED

By 75 ADVERTISERS

Write for the WLW Brochure



THE NATION'S STATION

THE CROSLEY RADIO
CORPORATION

CINCINNATI, OHIO

THE CRITCHFIELD DIGEST NEW 1931 EDITION NOW READY

\$2.00 Sent on Approval



MARKETS AND MEDIA IN POCKET SIZE

The amount of information within this little book is a revelation. Here are rates on newspapers in 1390 cities—with 1930 census figures, number of passenger cars, banks, auto agencies, department stores, grocery stores, furniture stores, hardware stores, character of industries, etc. Information every sales and advertising executive should have on instant notice.

Also complete list of rotogravure newspapers, all general magazines, agricultural and trade papers with circulation, column size, halftone screen requirements, line and page rates, closing dates and dates of issue. And, latest radio data, stations in all states, with operating power and evening time rates.

Convenient size, 3½x5¼ inches—630 pages—easy to carry in pocket or brief case. Flexibly bound, gold stamped and gold edged. Price \$2.00. Gladly sent on approval.

CRITCHFIELD & COMPANY

14 E. Jackson Blvd., Chicago, Ill.

Please send me the 1931 Critchfield Digest. Enclosed find \$2.00 sent with the understanding that the Digest is to be mailed me on approval, with the privilege of returning if not satisfactory.

Name.....

Address.....

City..... State.....

All States Life Opens a Big Market among College Alumni

(Continued from page 363)

the plan becomes better known and understood and as business improves.

"Then, too, the volume of business should increase from year to year, as new classes graduate and join in the movement.

"Another interesting feature of this plan is the fact that we receive a great deal of business by mail, which is very unusual in the insurance business! The alumni have been very helpful also.

"Still another feature is the fact that agents of other companies, who sometimes feel at first that we have made a forward pass over the line, can join in and write such business for us under brokerage contracts, and many of them are doing so."

While alumni have been very helpful, and the company is beginning to train some of them in selling insurance, Mr. Lacy said that, so far, they are inclined to believe that life insurance sales capacity is more important than any connection with an alumni association, hence they are still depending on salesmen. Salesmen with college training naturally would have an advantage in such work, however.

Approaching Other Groups

The company is still engaged in extending the plan and at present is applying it to Masonic homes, Masonic benefit funds, luncheon clubs seeking endowments, retail credit associations and other organizations.

"The plan has been exceptionally successful, I would say," Mr. Lacy concluded. "One of our managers remarked just the other day that if times were normal we would have to rent fifty additional offices to take care of issuing the policies. I am wondering myself whether we shall find, when times do return to normal, that we have made a distinctive advance in the method generally used in selling life insurance."

As remarked above, the plan is fully approved by insurance authorities. The institutions which have entered into such contracts naturally have not done so without first having made very thorough investigations and these have brought reports from numerous actuaries and others. Alfred M. Best Company, of New York, nationally known life insurance raters, advisers and engineers, concluded a report to one inquirer with the sentence: "It is an excellent plan, serves

a worthy cause and we highly recommend it."

John A. Copeland, consulting actuary, Atlanta, wrote another inquirer, in part: "While this is a new company, its management is in the hands of insurance experts of long experience and its financial condition is in every respect excellent. I heartily approve the plan for use by Oglethorpe University."

The insurance departments of the several states in which the plan has been introduced have also approved it.

All States Life Insurance Company is a regular old line legal reserve company and writes all the usual forms of life insurance. It is a young company and has so far limited its operations to Alabama, Georgia, Mississippi and Tennessee, but it is expanding rapidly and will probably enter several other states soon. It is fully qualified to enter any state.

How Concerns Handle Split Commissions

(Continued from page 361)

ing Machine Company has played was to clear the transaction."

Elon Pratt, general manager of the Smokador Company, has a set rule to split commissions fifty-fifty. So has E. J. Little, sales manager of the Wayne Company, who credits the territorial commission to the salesman covering the shipping point. "If, for instance," Mr. Little says, "we sell in New York and ship to Dallas, Texas, to a branch of one of the oil companies, we credit half to the New York man and half to the Dallas man. If the Dallas branch of the oil company distributes that equipment to a number of smaller points, we have no control. Credit goes to the man at the shipping point."

In contrast to these methods, the Beacon Falls Rubber Shoe Company, according to C. E. Little, president, gets around the split commission difficulty in this way:

"If our salesman is able to get an order from a purchasing office where the goods are shipped into another branch territory, we credit the branch in the territory where the goods are shipped with the order, and pay the salesman who booked the order his regular commission."

To companies paying salesmen a

S I N K . .

D O W N . .

D O W N . .

D O W N *into SLEEP*

Oh, what a difference there is in beds! There's the stern kind — about as restful as a park bench. The sad type, with a dismal hollow in the center. The lumpy affair whose mattress is like a shell-torn field.

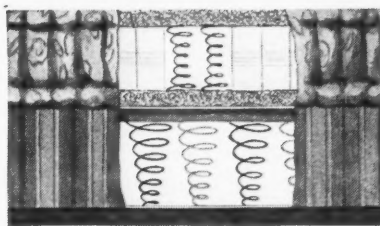
And then there's the *Statler bed* . . . buoyant, restful. "What a bed!" you think, as you yawn and stretch and spread yourself in lazy content. And you grin with delight to find that the mattress is comfortable *all over* — that it doesn't sag in a single place, no matter how much you

twist and turn — that it yields pleasantly to the curves of your body.

Finally, you switch off your radio . . . put out the light at the head of the bed . . . hunch the pillows under your shoulder . . . pull up the snowy white sheets and the blankets . . . settle down and try to remember what it was you were thinking of . . . and *sink down, down, down into sleep.*

In the morning you awake to find a newspaper under your door, and soon you're whistling merrily in your bath . . . eager for your breakfast.

And as you start about the business of the day, *refreshed* and *rested* and *happy*, we know you will think with enthusiasm of the gracious personal service you have enjoyed, of the many comforts of your room. And we fancy, too, you will remember it was the Statlers that first gave travelers the modern hotel.



Statler beds are as luxurious as money can buy. Each has a deep box spring topped by an inner-spring hair mattress . . . nothing is more conducive to restful sleep.

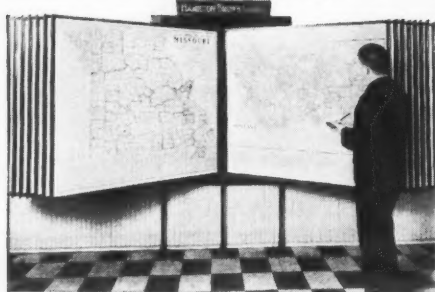
HOTELS STATLER

B O S T O N B U F F A L O

C L E V E L A N D D E T R O I T S T . L O U I S

in NEW YORK, Hotel Pennsylvania

Sales Managers!



Keep Your Maps

Charts, Advertising Literature,
Blueprints and Similar Data
At Your Finger Tips

It's as easy to turn to any desired map when kept on a Multiplex as it is to turn to a page in a book. No other system so convenient or efficient.

You can secure, if you desire, any number of maps of any standard make already mounted on the swinging panels. Fixtures furnished in a variety of styles and sizes. Write for descriptive literature and prices.

Multiplex Display Fixture Co.

925-935 N. Tenth St.,

St. Louis, U. S. A.

P-24

FREE Consultation on Sales Problems

Write me about your problems, your plans, your ambitions. Ask questions, get a prompt, common-sense reply—no charge. My frank pointers, given free, make many friends.

Big firms and small employ my methods. To find better men. To train their recruits to quicker productiveness. To build Sales Manuals, Presentations, Visualizers, Fact-Books—the tools that make selling more effective. To stimulate, enthuse, inspire men to peak performance. Salesmen respond to my practical, field-tested plans, because extra-volume earns extra-pay.

Results are quick, traceable: \$800,000 increase for one client in one year. For another, \$550,000 increase in depression year, their industry deep-in-the-dumps. For a third, a 4-months' quota was exceeded 2¼ times in first 7 weeks. A fourth boasts 8 times as many new customers as ever secured in a single month before. Positive proof on request.

A friendly chat-by-mail, including preliminary suggestions, costs nothing, entails no obligation. I invite your letter.

BURTON BIGELOW

Consulting Sales Manager

300 Delaware Ave., Buffalo, N. Y.

B-1

regular salary the split remuneration problem is vital only in so far as contest and annual quotas are concerned. Of these, Standard Brands, Inc., states A. C. Monagle, vice-president, "credits territories with shipments made into them regardless of whether the orders are placed within a territory or at a central buying point. In this way we give credit to the territory where the goods are actually used."

The Diamond Match Company does the same. The Dennison Manufacturing Company does just the opposite, that is, "credits the sale where the goods are ordered and where the bill is paid. The location of the company as mentioned on the order blank is what determines the city which receives credit for the sale."

No Set Rule

The Spool Cotton Company, National Lead Company and Eagle Pencil Company have no set rule in splitting commissions other than that in each case the factors be weighed and the commission given to the territory that really sells the order. H. Price, vice-president and general manager of the Eagle Pencil Company, says: "My experience has been that it is best not to have any set policy but to decide each case on its merits." While R. D. Keim, general sales manager of E. R. Squibb & Sons, believes in settling each case on its merits, he has established a definite allocation of commissions. He says: "If all the selling is done in the buying office from which shipments are made, then certainly the salesman who contacts the buyer in the buying office is the only one who is entitled to commissions on any sales made to that office. On the other hand, if the sales are actually made by the salesman in a territory and then the order is sent to a district manager, an assistant sales manager, branch manager or even another salesman, to be submitted to the buying office for acceptance, then the salesman in the territory into which the goods are to be shipped is entitled to the commissions on the sale unless the party submitting that salesman's order to the buying office has to sell the merchandise the second time, in which event the commission applying on such a sale is split on a basis of 60 and 40 per cent, 60 per cent going to the salesman who made the original sale in the territory into which the goods are to be shipped and 40 per cent to the salesman who presents the order at the buying office."

Thomas A. Morgan, president of Sperry Gyroscope, Inc., a subsidiary, has been elected president of North American Aviation, Inc.

Laco Products Promote 125th Anniversary

The 125th anniversary of Lockwood Brackett Company, importer and manufacturer of soap products, is being promoted in a four-page rotogravure broadside to dealers.

One page is devoted to photographs of Laco window displays "that sell your store to your community." Another features a *Good Housekeeping* endorsement and tells the story in pictures of Castile soap, nucleus of the present Laco line; a third, photographs of the other items.

Survey of Surveys

(Continued from page 350)

close scrutiny reveals the fact that every one of these questions has a slant or a wording which is indirectly derogatory to the Resale Price Bill (note our italicizing of the negative words in the questions themselves).

How much this may have affected the individual responses is of course debatable—as is the question of how much the fact that the professor responders outnumbered the "others" two to one in the average set of responses may have affected the totals. But this may be one of the many reasons why economists are not generally asked for their opinions or their statistical aid by our law-makers.

Nevertheless, despite these questionable points, there is one impression that will not be denied, i.e., namely, that, even if the business and other professional men had been equal in numbers with the professors, and had the questionnaire included some questions favorable to the bill as well as those objecting to it, there would still have been a goodly percentage of opinion against its enactment as a law.

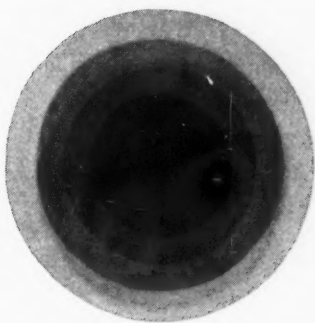
Evidently the che-ild is safe, the papers are torn up and the villain departs, muttering curses, as in the grand old mustache-stroking days. And Mahomet and the mountain, having fulfilled their immediate purposes, can depart for the nonce into that Nirvana to which all good actors go.

Copies of the book are, we understand, available from Carroll W. Doten of the Massachusetts Institute of Technology, Cambridge, Massachusetts, upon request.

Lineage Correction

Revised figures for San Antonio are as follows:

	December	Change over
	1930	1929
Express (M&S) ..	805,817	— 203,586
Light (E&S) ..	895,988	— 92,861
News (E)	770,297	— 68,521
Totals	2,472,102	— 364,968
	Yearly	Change over
	1930	1929
Express	10,334,884	—2,627,850
Light	10,887,988	—1,790,900
News	9,536,169	—1,100,640
Totals	30,759,041	—5,519,390



The GAMUT of GRAYS

PICTURES in bright colors and brilliant hues registered through the human lens on the sensitized walls of memory's chambers are very largely translated and recalled in the intermediary grays. Colors, to a degree, are the achievements of cultural development. Black and white when well executed enjoys the distinction of perpetual youth—always modern.



**STERLING ENGRAVING
COMPANY, New York, N. Y.**

EAST PLANT-304 EAST 45th STREET - VAnDerbilt 3-7661-6
WEST PLANT-475 TENTH AVENUE - MEdallion 3-1900-5

COLOR PROCESS
BLACK and WHITE
BEN DAY • LINE

Editorials

TELLING ABOUT IT: The success of American Tobacco in pushing its wares with rather blatant advertising has caused a great deal of comment. This advertising has been notable not only for its loudness but also for its provocative character. Vigorous assertion of claims in behalf of the company's products have by implication reflected on the merits of competitive articles; the anti-sweets campaign directly attacked another industry. . . . The comment evoked by this advertising touches less on the job it has done than on the influence it may exert on advertisers in general in view of its achievement. Fears are expressed that because it has produced large sales the example set will be followed, thereby ushering in a new era of advertising marked by aggressiveness of tone and substance. . . . These fears are scarcely justified. American Tobacco made a hit for two reasons: it spent far more money for advertising than any of its rivals, and it centered its drive on "talking points" with a strong appeal. It makes no difference that other cigarette tobacco is also roasted or toasted or mellowed by heat, that other machine-made cigars are free from human contamination in rolling. American Tobacco saw the force of these merits and made the most of them. Advertising will suffer no injury if other advertisers have the wit to see the meaning of this.

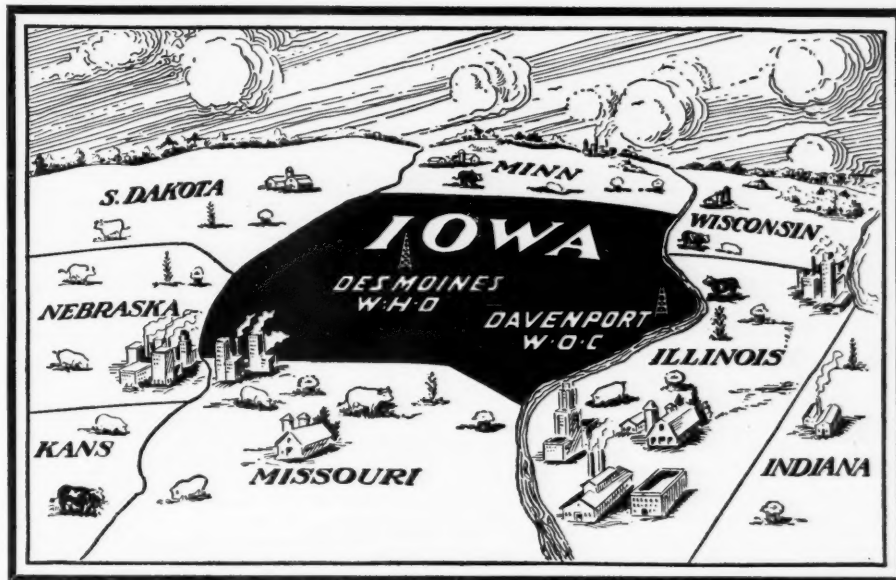
LEADERSHIP IN PROGRESS: Vision and courage bottomed on understanding of business conditions are vividly disclosed in the decision of the Pennsylvania Railroad to accelerate the pace of its \$175,000,000 electrification plan. The program as originally authorized was to spread the work over a period of four years. It is now proposed to finish it in two and a half years. Immediate reasons for this change are the low prices of material, the unfortunate abundance of relatively cheap labor and the easy money market. But behind these temporary motives lie confidence in the future and determination to be ready for what is ahead—the movement of goods in large quantity. . . . The men in charge of this great transportation company are not checked by the present depression in industry. They know that this country will not long remain in the doldrums of uncertainty. They are taking advantage of the pause in the forward march to increase their facilities for the work that is coming, assured of ample reward for their foresighted effort. . . . Their example should put heart into those who allow the shadow of the past and present to obscure the prospect of fairer scenes that are no longer

far distant. Opportunity is now knocking at many doors, opportunity of a sort that comes rarely in the lifetime of any single generation. Those of us who are old enough to recall the changes in the tide of fortune which seem to be inevitable in human affairs know how true this is; no power of divination is needed to foresee the change that is on the way. Yet on such occasions the laggards are always far more numerous than the leaders. To those who still consult their fears or heed too much the smart of their wounds the action of the Pennsylvania Railroad should be a reminder of the counsels of wisdom that is neither reckless nor afraid.

FACTS AND THEORIES ABOUT BUSINESS: Among about 1,300 independent grocery stores in Philadelphia which were recently studied by the Department of Commerce no less than 740 were found to be run by men who had had no previous experience in retail merchandising. This highly significant fact was called to public attention the other day by Dr. Julius Klein, assistant secretary of commerce, in an interesting broadcast talk, one of a series. The theme of his remarks was the part which lack of business training plays in business tragedies, especially in direct dealings with the consuming public. Department investigations in Louisville, Philadelphia, Newark, Boston and Chicago have convinced him that this factor rather than competition lies at the root of failures. In support of this belief he referred to charts of the credit-rating bureaus showing that responsibility for less than 2 per cent of all business failures is ascribable to the latter cause. He admitted that retailers were subject to sharper attack than other business men, but the statistics he had examined did not change his general conclusion with regard to all sorts of business. . . . Dr. Klein is disposed to blame the wholesalers in part for making it dangerously easy, to use his own phrase, for ill-equipped persons to enter the retail field. This is undoubtedly the case. Credit accommodation is too often based on nothing but immediate financial ability to pay for goods, regardless of merchandising ability to handle them. What this means is that instead of encouraging sound methods acquired through study of practical work, short-sighted wholesalers persuade customers to take risks in trade which no intelligent man acquainted with all the circumstances would think of assuming. Business will labor under the handicap of numerous bankruptcies as long as it fails to insist on proficiency in its own ranks, which comes from knowledge of fundamentals.

"The Best State for Sales in the Country"*

* A weekly forecast of the United Business Service stated "There are few areas where sales during the next few months will be sufficiently high to approximate last year's levels . . . One of these is Iowa, which we still continue to rate as the best state for sales in the country."



THE Valley Area which listens to WOC and WHO is still prosperous! It is the bright spot on the map for the manufacturer with a product that can serve the billion dollar agricultural and industrial market in which these twin stations stand ace high both because of the prestige gained by pioneer service and because they have maintained that leadership with modern quality programs and equipment.

Located in the heart of vast resources, the programs of WOC and WHO reach into the hearts of the homes where buying power is undiminished. Because these stations hold their listeners, they also hold leading national advertisers in a profitable "hookup" with their customers.

These two popular 5000 watt stations can do a better, quicker job in selling to several million people.

WOC WHO

DAVENPORT

DES MOINES

CENTRAL BROADCASTING CO.

FRANK W. ELLIOTT, V. P. and Gen. Mgr.

Owning and Operating Iowa Radio Stations

Administrative Offices; Davenport, Iowa

Spot Advertisers Include:

Arzen Laboratories
Chevrolet Motor Company
Phoenix Hosiery Mills
Rumford Chemical Works
Curtis Candy Company
Philadelphia Storage Battery Co.
Arkansas Soft Pine Bureau
National Refining Company
Penn. Salt Mfg. Co.
Smith Brothers
Pequot Mills
Radio & Television Institute
Campbell Cereal Co.
Midcontinent Petroleum Corp.



SEND for this book of facts on the "VALLEY HARVEST"

1-3 of One Per Cent Does Nearly 18 Per Cent!

One single concern—the Einson-Freeman Co., Inc.—out of 309 lithographic establishments in the United States listed by the last census—

Or about 1/3 of one per cent—was responsible for 10 out of 57—

Or over Eighteen Per Cent of all Window Displays that achieved a dominant rating in the tabulation of January Window Displays in Forty-four Cities, which appeared on Page 340 of SALES MANAGEMENT for February 21.

These 10 displays had dominance in 82 city showings out of a grand total of 506.

There IS a reason.

An Einson-Freeman representative will be pleased to discuss it, and your window and store advertising problems, if you write, or call them at Starr & Borden Avenues, Long Island City.

"AN ADDRESS OF DISTINCTION"



You Get . . .
So Much MORE

INTERNATIONALLY known . . . the habitual stopping place of world travelers . . . conveniently accessible to all Loop activities . . . foods of surpassing excellence. Spacious and smartly elegant rooms. Distinguished accommodations at remarkably reasonable cost. *Rates begin at \$5 per day. Permanent Suites at Special Discounts.*

**THE
DRAKE
HOTEL, CHICAGO**
Under Blackstone Management

January Newspaper Lineage in Eighty-Seven Cities

All but three of the eighty-seven cities listed below showed losses in newspaper advertising lineage for January, as compared to the same month of last year. Thirty of the 359 newspapers listed show gains in January, the remaining 329 showing losses. The total lineage carried in these papers for January, 1931, was 165,719,785 as compared with 191,587,223 for January, 1930, or a loss of 25,868,438, 13.5 per cent. This compilation was made from figures gathered by this magazine, Media Records, Inc., and Advertising Record Company.

City	1931	1930	Change
Akron	1,880,606	2,365,029	-484,423
Albany	1,988,000	2,100,411	-112,411
Albuquerque	703,013	964,163	-261,150
Atlanta	1,951,046	2,470,010	-518,964
Baltimore	3,122,570	3,698,169	-575,599
Beaumont	499,096	587,920	-88,824
Boston	5,631,792	6,572,649	-940,857
Birmingham	1,705,994	2,223,253	-517,259
Buffalo	2,113,157	2,655,830	-542,673
Camden	689,430	836,634	-147,204
Chicago	5,305,190	6,313,453	-1,008,263
Cincinnati	2,714,637	2,986,009	-271,372
Cleveland	2,812,783	3,291,103	-478,320
Columbus	2,406,488	2,833,413	-426,925
Dallas	2,657,332	2,880,778	-223,446
Dayton	2,013,656	2,611,762	-598,106
Denver	1,499,102	1,702,930	-203,828
Des Moines	1,216,957	1,389,959	-173,002
Detroit	3,455,008	4,457,166	-1,002,158
Easton	674,530	789,859	-115,329
El Paso	1,255,968	1,336,450	-80,482
Erie	1,072,767	1,331,914	-259,147
Evansville	1,458,585	1,660,525	-201,940
Fall River	446,749	479,527	-32,778
Fort Wayne	1,508,462	1,657,477	-149,015
Fort Worth	1,362,427	1,586,852	-224,425
Harrisburg	919,334	1,024,897	-105,563
Hartford	2,116,500	2,338,786	-222,286
Houston	2,419,904	2,554,739	-134,835
Indianapolis	2,238,869	2,450,788	-211,919
Jacksonville	1,108,607	1,346,063	-237,456
Kansas City	2,329,436	2,575,812	-246,376
Knoxville	1,017,250	1,209,073	-191,823
Los Angeles	5,200,296	5,802,627	-602,331
Louisville	2,022,838	2,534,520	-511,682
Mamaroneck	139,862	150,610	-10,748
Manchester	367,701	427,435	-59,734
Memphis	1,646,973	2,275,497	-628,524
Milwaukee	2,490,406	2,761,955	-271,549
Minneapolis	2,584,801	2,796,552	-211,751
Mt. Vernon	552,276	623,181	-70,905
Nashville	954,156	1,282,889	-328,733
Newark	1,325,305	1,510,383	-186,078
New Bedford	690,456	911,088	-220,632
New Orleans	2,641,151	3,198,734	-557,583
New Rochelle	509,119	449,883	+59,236
New York	12,550,358	14,350,792	-1,790,434
Niagara Falls	620,186	707,345	-87,159
Oakland	1,882,333	2,089,681	-207,348
Oklahoma City	1,694,301	1,838,778	-144,477
Omaha	1,566,139	1,565,855	+284
Ossining	169,795	179,264	-9,469
Perth Amboy	439,441	512,323	-72,882
Philadelphia	5,379,805	5,934,183	-554,378
Phoenix	1,122,739	1,406,069	-283,330
Pittsburgh	3,244,772	3,648,054	-403,282
Portchester	407,316	401,780	+5,536
Portland	2,233,991	2,435,626	-201,635
Providence	2,035,734	2,389,593	-353,859
Reading	1,366,724	1,463,000	-96,276
Richmond	1,433,125	1,709,525	-276,400
Rochester	2,593,251	3,092,966	-499,715
Rockford	680,926	718,686	-37,760
Salt Lake City	1,515,144	1,685,752	-170,608
San Antonio	2,135,157	2,536,658	-401,501
San Diego	2,350,850	2,852,223	-501,373
San Francisco	3,296,402	3,905,989	-609,587
Seattle	2,282,890	2,459,368	-176,478
South Bend	1,364,099	1,605,705	-241,606
Spokane	1,421,865	1,820,735	-398,870
St. Louis	2,882,401	3,318,451	-436,050
St. Paul	1,951,136	2,205,225	-254,089
Syracuse	1,987,221	2,116,951	-129,730
Tacoma	1,415,253	1,590,820	-175,567
Tarrytown	280,524	349,423	-68,899
Terre Haute	1,435,422	1,629,382	-193,960
Toledo	1,776,182	2,269,035	-492,853
Trenton	727,525	851,128	-123,603
Tulsa	1,476,839	1,704,631	-227,792
Washington	3,463,960	3,692,175	-228,215
White Plains	854,849	947,804	-92,955
Wichita	1,778,661	2,133,386	-354,725
Wilkes-Barre	2,383,105	2,562,839	-179,734
Winston-Salem	347,910	492,507	-144,597
Worcester	1,792,120	2,004,836	-212,716

City	1931	1930	Change
Yonkers	683,351	722,302	-38,951
Youngstown	1,277,187	1,767,700	-490,513
Grand Total	165,719,785	191,587,223	-25,868,438

AKRON			
*Times-Press	684,591	884,776	-200,185
Times-Press	119,700	187,166	-67,466
*Beacon-Journal	1,076,315	1,293,087	-216,772
Total	1,880,606	2,365,029	-484,423

ALBANY			
*Knickerbocker	467,335	539,094	-71,759
Press	153,099	167,785	-14,686
*News	552,524	545,992	+6,532
*Times-Union	163,231	166,425	-3,194
Total	1,988,000	2,100,411	-112,411

ALBUQUERQUE			
*Journal	224,027	317,374	-93,347
*Journal	228,689	312,169	-83,480
Journal	42,975	67,273	-24,298
*State Tribune	207,322	267,347	-60,025
Total	703,013	964,163	-261,150

ATLANTA			
*Constitution	498,102	599,616	-101,514
Constitution	186,526	211,818	-25,292
*Georgian	275,704	404,716	-129,012
American	125,084	160,673	-35,589
*Journal	709,407	867,210	-157,803
Journal	156,223	225,977	-69,754
Total	1,951,046	2,470,010	-518,964

BALTIMORE			
American	192,235	255,342	-63,107
*News	437,990	697,635	-259,645
*Post	265,589	321,429	-55,840
*Sun	1,235,258	1,320,244	-84,986
*Sun	522,887	606,143	-83,256
Sun	448,611	497,376	-48,765
Total	3,122,570	3,698,169	-575,599

BEAUMONT			
Ent.-Journal	499,096	587,920	-88,824

BIRMINGHAM			
*Age-Herald	463,285	590,137	-126,852
News-Age-Herald	215,593	296,670	-81,077
*News	645,960	883,282	-237,322
*Post	381,156	453,164	-72,008
Total	1,705,994	2,223,253	-517,259

BOSTON			
*Record	433,172	139,564	+36,340
Advertiser	193,629	195,509	-1,880
*American	340,770	439,059	-98,289
*Globe	750,887	896,762	-145,875
Globe	417,323	458,479	-41,156
*Herald	923,725	1,089,037	-165,312
Herald	353,874	366,916	-13,042
*Post	734,891	927,515	-192,624
Post	196,409	243,137	-46,728
*Transcript	493,365	641,353	-147,988
*Traveler	1,051,015	1,175,318	-124,303
Total	5,631,792	6,572,649	-940,857

The *Globe* is sold in combination morning and evening. Lineage of one edition is shown.
The *Traveler* is sold only in combination with the morning *Herald* or Sunday *Herald*.

BUFFALO			
*Courier-Express	433,172	508,483	-75,311
Courier-Express	229,859	281,380	-51,521
*News	982,048	1,201,299	-219,251
*Times	372,739	497,284	-124,545
Times	95,339	167,384	-72,045
Total	2,113,157	2,655,830	-542,673

CAMDEN			
*Courier-Post	689,430	836,634	-147,204

CHICAGO			
*Tribune	1,173,220	1,479,070	-305,850
Tribune	563,420	702,576	-139,156
*Herald-Examiner	506,291	527,515	-21,224
Herald-Examiner	308,115	350,274	-42,159
*News	1,241,473	1,494,809	-253,336
*Post	364,326	424,730	-60,404
*American	834,955	968,992	-134,037
*Times	313,390	365,487	-52,097
Total	5,305,190	6,313,453	-1,008,263

CINCINNATI			
*Enquirer	597,249	575,424	+21,825
Enquirer	476,254	501,822	-25,568
*Post	680,987	754,147	-73,160
*Times-Star	960,147	1,154,616	-194,469
Total	2,714,637	2,986,009	-271,372

* No Sunday edition.

CLEVELAND

*Plain Dealer ...	836,242	864,028	— 27,786
*Plain Dealer ...	290,839	363,659	— 72,820
*News ...	528,109	708,947	— 180,838
*News ...	128,839	195,077	— 64,238
*Press ...	1,028,754	1,161,392	— 132,638
Total ...	2,812,783	3,291,103	— 478,320

COLUMBUS

*Dispatch ...	1,021,721	1,136,763	— 115,042
Dispatch ...	232,485	283,134	— 50,649
*Citizen ...	724,428	900,690	— 176,262
*Ohio State Journal ...	352,710	403,744	— 51,034
Ohio State Journal ...	75,144	109,082	— 33,938
Total ...	2,406,488	2,833,413	— 426,925

DALLAS

*News ...	508,283	632,777	— 124,494
News ...	199,610	261,816	— 62,206
*Times-Herald ...	920,142	909,181	+ 10,961
Times-Herald ...	214,554	272,073	— 57,519
*Journal ...	454,137	452,889	+ 1,248
*Dispatch ...	360,606	352,042	+ 8,564
Total ...	2,657,332	2,880,778	— 223,446

DAYTON

*Journal ...	259,971	317,083	— 57,112
Journal ...	146,894	217,377	— 70,483
*Herald ...	641,689	884,310	— 242,621
*News ...	819,774	977,593	— 157,819
News ...	145,328	215,399	— 70,071
Total ...	2,013,656	2,611,762	— 598,106

DENVER

*Rocky Mt. News ...	412,773	478,405	— 65,632
Rocky Mt. News ...	75,990	104,753	— 28,763
*Post ...	768,417	830,222	— 61,805
Post ...	241,922	289,550	— 47,628
Total ...	1,499,102	1,702,930	— 203,828

DES MOINES

Register-Trib. ...	1,216,957	1,389,959	— 173,002
--------------------	-----------	-----------	-----------

DETROIT

*Free-Press ...	567,351	736,052	— 168,701
Free-Press ...	251,994	353,622	— 101,628
*News ...	1,314,511	1,700,115	— 385,604
News ...	378,610	478,448	— 99,838
*Times ...	567,699	743,692	— 175,993
Times ...	193,351	243,299	— 49,948
*Daily ...	181,492	201,938	— 20,446
Total ...	3,455,008	4,457,166	— 1,002,158

EASTON

*Express ...	674,530	789,859	— 115,329
--------------	---------	---------	-----------

EL PASO

*Times ...	270,825	283,223	— 12,398
Times ...	148,737	156,503	— 7,766
*Herald ...	432,292	452,683	— 20,391
*Post ...	404,114	444,041	— 39,927
Total ...	1,255,968	1,336,450	— 80,482

ERIE

*Dispatch-Herald ...	479,576	581,556	— 101,980
Dispatch-Herald ...	73,170	127,699	— 54,529
*Times ...	520,021	622,659	— 102,638
Total ...	1,072,767	1,331,914	— 259,147

EVANSVILLE

*Courier ...	462,558	525,886	— 63,328
Courier ...	130,502	166,232	— 35,730
*Journal ...	286,262	327,368	— 41,106
*Press ...	494,240	526,322	— 32,082
Press ...	85,023	114,717	— 29,694
Total ...	1,458,585	1,660,525	— 201,940

FALL RIVER

*Herald News ...	446,749	479,527	— 32,778
------------------	---------	---------	----------

FORT WAYNE

*Journal Gazette ...	548,465	551,924	— 3,459
Journal Gazette ...	156,473	207,846	— 51,373
*News-Sentinel ...	803,524	897,707	— 94,183
Total ...	1,508,462	1,657,477	— 149,015

FORT WORTH

*Record Telegram ...	319,668	382,310	— 62,642
*Star Telegram ...	438,367	542,321	— 103,954
Star Telegram ...	152,158	195,893	— 43,735
*Press ...	452,244	466,328	— 14,084
Total ...	1,362,437	1,586,852	— 224,415

HARRISBURG

*Patriot ...	573,826	628,832	— 55,006
*Telegraph ...	345,508	396,065	— 50,557
Total ...	919,334	1,024,897	— 105,563

The Evening News carries the same amount of advertising as the Morning Patriot.

HARTFORD

*Courant ...	517,497	568,259	— 50,762
Courant ...	327,845	373,370	— 45,525
*Times ...	1,271,158	1,397,157	— 125,999
Total ...	2,116,500	2,338,786	— 222,286

* No Sunday edition.

THE LITTLE RED SCHOOL HOUSE HAS PASSED INTO HISTORY » » » » » » In the Small Towns



Small Town Children Now Receive the
Best Possible Start in Life » » »

GONE is the little red school house of childhood memory, with its draughty floors, smoky oil lamps, its back-breaking seats and its old iron stove. In its place has risen a modern building of brick and stone, with plenty of gleaming glass, controlled heating and ventilation, and furniture that is kind to growing bodies.

The same forward-looking citizens who have voluntarily taxed themselves to give their children the best possible start in life will respond to any proposal for increasing family comfort and convenience.

More than four hundred and twenty thousand of these modern-minded

small town families read GRIT every week. They are interested in current events and trends and they depend on GRIT to bring them news of what is important and worth while.

GRIT's influence in the small town field has increased steadily for forty-eight years because it is edited exclusively for small town people and has kept closely in step with economic changes in that territory.

GRIT's reader families are willing and able to buy. Make them your customers by including GRIT in your 1931 advertising plans. Write for free copy of the "Marketing Survey of Twenty-Nine Small Towns."



Read Every Week by Over 423,000 Families
in 14,000 Small Towns

Member A. B. C.

Williamsport, Pa.

5 Million "Judges"

selected these 300 Advertisements

Sets of advertisements have frequently been chosen by committees or through public contests as being the "best" or "most effective."

But "300 Effective Advertisements" is different.

Every one a proved producer

Every one of the 300 advertisements reproduced in this 248-page volume proved its right to appear—not because it followed accepted advertising standards more closely, but because it established an unusually high record as a business getter.

Selection was based on an analysis of 5,000,000 inquiries received by 163 companies in answer to approximately 3,500 magazine and newspaper advertisements.

Only 3-1/3 cents each

"300 Effective Advertisements" offers a rare opportunity to learn the methods employed by other advertisers who got unusually good results. Every advertisement is legible, with all details distinct. And to permit the widest distribution the price has been kept as low as possible—only 3-1/3 cents for each of the advertisements reproduced.

You will find "300 Effective Advertisements" invaluable for every-day reference. For your copy, send \$10.

Other reports now ready

No. 1. "Analysis of 5,000,000 Inquiries"—\$35.
No. 2. "The Income of the American Family"—\$15.

DANIEL STARCH

Consultant in Commercial Research

Dept. S, 1374 Massachusetts Ave.
Cambridge, Massachusetts

Dept. S, 420 Lexington Ave., New York

PHOTOSTATS

COMMERCE
PHOTO-PRINT CORP.
42 Broadway 33 West 42nd St 80 Maiden Lane
Tel LONGacre 8645

PHOTOGRAPHS



SOLID KUMFORT

Bentwood
FOLDING CHAIRS
for Every Purpose

WRITE FOR BULLETIN

LOUIS RASTETTER & SONS CO.
1413 WALL ST. FORT WAYNE, IND.

Extra Copies

If you want extra copies of this issue please order promptly, as our supply is frequently exhausted a week after date of issue.

HOUSTON			
*Chronicle	770,775	863,255	— 92,480
Chronicle	236,976	284,988	— 48,012
*Post-Dispatch	672,985	644,042	+ 28,943
Post-Dispatch	232,809	239,188	— 6,379
*Press	506,359	523,266	— 16,907
Total	2,419,904	2,554,739	—134,835

INDIANAPOLIS			
*News	1,018,731	1,184,802	—166,071
*Star	543,005	505,701	+ 37,304
Star	279,059	325,068	— 46,009
*Times	398,074	435,217	— 37,143
Total	2,238,869	2,450,788	—211,919

JACKSONVILLE			
*Times-Union	519,409	616,846	— 97,437
Times-Union	175,259	213,809	— 38,550
*Journal	413,939	515,408	—101,469
Total	1,108,607	1,346,063	—237,456

KANSAS CITY			
Journal-Post	410,636	488,906	— 78,270
Star	1,150,742	1,292,391	—141,649
*Star	768,058	794,515	— 26,457
Total	2,329,436	2,575,812	—246,376

KNOXVILLE			
*Journal	360,267	419,198	— 58,931
Journal	90,659	140,365	— 49,706
*News-Sentinel	462,054	523,741	— 61,687
News-Sentinel	104,270	125,769	— 21,499
Total	1,017,250	1,209,073	—191,823

LOS ANGELES			
*Examiner	841,706	952,268	—110,562
Examiner	499,318	509,002	— 9,684
*Ill. News	289,830	315,160	— 25,330
*Times	1,077,746	1,204,598	—126,852
Times	497,044	504,055	— 7,011
*Express	574,503	664,354	— 89,851
*Herald	1,075,898	1,294,042	—218,144
*Record	344,251	359,148	— 14,897
Total	5,200,296	5,802,627	—602,331

LOUISVILLE			
*Courier-Journal	672,596	760,804	— 88,208
Courier-Journal	291,714	311,943	— 20,229
*Times	674,644	801,322	—126,678
*Herald-Post	280,840	464,519	—183,679
Herald-Post	103,044	195,932	— 92,888
Total	2,022,838	2,534,520	—511,682

MANCHESTER			
*Union	367,701	427,435	— 59,734
MEMPHIS			
*Commercial Appeal	494,774	695,648	—200,874
Commercial Appeal	223,230	335,119	—111,889
*Evening Appeal	423,730	629,777	—206,047
*Press Scimitar	505,239	614,953	—109,714
Total	1,646,975	2,275,497	—628,524

MILWAUKEE			
*Sentinel	482,029	380,765	+101,264
Sentinel	184,911	234,241	— 49,330
*Journal	835,729	1,041,104	—205,375
Journal	281,868	313,149	— 31,281
*Leader	184,129	186,956	— 2,827
*Wisconsin News	521,740	605,740	— 84,000
Total	2,490,406	2,761,955	—271,549

MINNEAPOLIS			
*Journal	829,546	908,314	— 78,768
Journal	130,434	168,729	— 38,295
*Tribune	807,251	871,727	— 64,476
Tribune	205,692	235,749	— 30,057
*Star	611,878	612,033	— 155
Total	2,584,801	2,796,552	—211,751

NASHVILLE			
*Banner	385,720	468,280	— 82,560
Banner	131,913	185,631	— 53,718
*Tennessean	346,898	463,479	—116,581
Tennessean	89,625	165,499	— 75,874
Total	954,156	1,282,889	—328,733

NEWARK			
*Evening News	1,323,505	1,510,383	—186,878
NEW BEDFORD			
*Standard	241,809	341,179	— 99,370
Standard	68,770	75,958	— 7,188
*Times	379,877	493,951	—114,074
Total	690,456	911,088	—220,632

Standard and Mercury sold in combination, morning and evening. Lineage of one edition is shown.

NEW ORLEANS			
*Times Picayune	896,976	911,590	— 14,614
Times Picayune	297,295	332,654	— 35,359
*Item-Tribune	103,070	171,232	— 68,162
Tribune	356,900	419,869	— 62,969
*Item	514,559	631,329	—116,770
*States	370,657	581,779	—211,122
States	101,694	150,281	— 48,587
Total	2,641,151	3,198,734	—557,583

NEW YORK			
*Times	1,324,026	1,541,212	—217,186
Times	664,806	804,525	—149,719
*Herald Tribune	864,518	1,039,677	—175,159
Herald Tribune	421,418	529,183	—107,765
*World	450,648	648,649	—198,001
World	249,689	382,904	—133,215
*American	366,224	390,675	— 24,451
American	416,537	512,015	— 95,478
*News	724,614	687,157	— 37,457
News	314,328	289,762	— 24,566
*Mirror	226,430	223,329	— 3,101
*Graphic	247,363	280,648	— 33,285
*Journal	1,017,679	1,082,047	— 64,368
*Post	441,447	556,037	—114,590
*Sun	1,304,874	1,493,517	—188,643
*Telegram	499,816	497,178	— 2,638
*World	742,542	838,188	— 95,646
Bronx Home News	382,972	419,749	— 36,777
*Eagle	856,599	920,945	— 64,346
Eagle	254,534	364,647	—110,113
*Standard-Union	294,174	363,590	— 69,416
*Times	425,119	396,429	— 28,690
Times	60,001	88,729	— 28,728
Total	12,550,358	14,350,792	—1,790,434

NIAGARA FALLS			
*Gazette	620,186	707,345	— 89,159
OAKLAND			
*Post Enquirer	714,432	766,570	— 52,138
*Tribune	981,150	1,066,151	— 85,001
Tribune	186,751	256,960	— 70,209
Total	1,882,333	2,089,681	—207,348

OKLAHOMA CITY			
*Oklahoman	513,935	506,881	+ 7,054
Oklahoman	182,022	211,501	— 29,479
*Times	589,841	650,823	— 60,982
Oklahoma-News	408,591	489,573	— 80,982
Total	1,694,301	1,858,778	—164,477

OMAHA			
*Bee-News	432,770	469,827	— 37,057
Bee-News	180,622	161,349	+ 19,273
*World-Herald	721,677	717,133	+ 4,544
World-Herald	231,070	217,546	+ 13,524
Total	1,566,139	1,565,855	+ 284

PERTH AMBOY			
*News	439,441	512,323	— 72,882
PHILADELPHIA			
*Bulletin	1,356,791	1,547,275	—190,484
*Inquirer	821,150	817,194	— 3,956
Inquirer	395,612	453,654	— 58,042
*News	478,881	535,469	— 56,588
*Public Ledger	889,742	950,072	— 60,330
*Public Ledger	643,577	690,157	— 46,580
Public Ledger	231,055	296,581	— 65,526
*Record	474,626	501,656	— 27,030
Record	188,371	142,125	+ 46,246
Total	5,379,805	5,934,183	—554,378

PHOENIX			
*Republic	650,943	751,143	—100,200
Republic	126,306	171,684	— 45,378
*Gazette	345,490	483,242	—137,752
Total	1,122,739	1,406,069	—283,330

PITTSBURGH			
*Post Gazette	688,351	688,351	— 60,048
*Press	1,179,365	939,761	+239,604
Press	301,684	287,022	+ 14,662
*Sun-Telegraph	850,772	1,348,861	—498,089
Sun-Telegraph	284,648	384,059	— 99,411
Total	3,244,772	3,648,054	—403,282

PORTLAND			
*Oregonian	514,344	568,278	— 53,934
Oregonian	235,064	232,352	— 2,712
*Oregon Journal	596,672	626,178	— 29,506
Oregon Journal	102,329	118,552	— 16,223
*News	343,006	359,922	— 16,916
*Telegram	442,576	530,344	— 87,768
Total	2,233,991	2,435,626	—201,635

PROVIDENCE			
*Bulletin	1,016,777	1,155,356	—138,579
*Journal	446,955	523,589	— 76,634
Journal	183,046	232,140	— 49,094
*News-Tribune	388,961	478,508	— 89,547
Total	2,035,734	2,389,593	—353,859

READING			
*Eagle	657,347	703,470	— 46,123
Eagle	74,603	102,967	— 28,364
*Times	634,774	656,563	— 21,789
Total	1,366,724	1,463,000	— 96,276

RICHMOND			
*News-Leader	747,834	898,643	—150,809
*Times-Dispatch	484,714	578,623	— 93,909
Times-Dispatch	200,577	232,259	— 31,682
Total	1,433,125	1,709,525	—276,400

* No Sunday edition.

ROCHESTER

*Dem. & Chron.	697,285	789,213	— 91,928
Dem. & Chron.	221,409	314,887	— 93,478
*Journal	549,846	632,634	— 82,788
American	156,043	220,163	— 64,120
*Times-Union	968,668	1,136,069	—167,401

Total2,593,251 3,092,966 —499,715

ROCKFORD

*Register-Republic	561,203	577,439	— 16,236
Star	119,723	141,247	— 21,524

Total680,926 718,686 — 37,760
Register-Republic and Star Morning are sold in combination only. Lineage of one edition (evening) is shown.

ST. LOUIS

*Globe-Democrat	569,138	645,146	— 76,008
Globe-Democrat	195,035	245,141	— 50,106
*Post-Dispatch	969,345	1,076,975	—107,630
Post-Dispatch	350,255	416,970	— 66,715
*Star	545,271	575,490	— 30,219
*Times	253,357	358,729	—105,372

Total2,882,401 3,318,451 —436,050

ST. PAUL

*Pioneer-Press	565,987	611,702	— 45,715
Pioneer-Press	160,705	219,102	— 58,397
*Dispatch	683,190	756,133	— 72,943
*News	485,547	533,535	— 47,988
News	55,707	84,753	— 29,046

Total1,951,136 2,205,225 —254,089

SALT LAKE CITY

*Tribune	602,478	608,151	— 5,673
Tribune	211,397	245,095	— 33,698
*Deseret News	346,760	439,604	— 92,844
*Telegram	354,509	392,902	— 38,393

Total1,515,144 1,685,752 —170,608

SAN ANTONIO

*Express	436,291	568,891	—132,600
Express	252,347	318,353	— 65,986
*News	674,702	802,225	—127,523
*Light	536,060	565,354	— 29,294
Light	235,757	281,855	— 46,098

Total2,135,157 2,536,658 —401,501

SAN DIEGO

*Union	629,072	786,030	—156,958
Union	286,931	310,872	— 23,941
*Sun	632,557	803,128	—170,571
*Tribune	802,290	952,193	—149,903

Total2,350,850 2,852,223 —501,373

SAN FRANCISCO

*Chronicle	675,543	702,714	— 27,171
Chronicle	209,785	258,602	— 48,817
*Examiner	760,276	857,688	— 97,412
Examiner	403,836	475,759	— 71,923
*Call-Bulletin	670,938	844,583	—173,645
*News	576,024	786,643	—210,619

Total3,296,402 3,905,989 —609,587

SEATTLE

*Post Intellig.	534,445	544,520	— 10,075
Post Intellig.	186,518	226,555	— 40,037
*Star	493,703	516,695	— 22,992
*Times	847,397	911,762	— 64,365
Times	220,827	259,836	— 39,009

Total2,282,890 2,459,368 —176,478

SOUTH BEND

*News Times	607,918	680,566	— 72,648
News Times	85,221	123,705	— 38,484
*Tribune	590,210	688,312	— 98,102
Tribune	80,750	113,122	— 32,372

Total1,364,099 1,605,705 —241,606

SPOKANE

*Spokesman	330,674	425,011	— 94,337
Spokesman	155,301	180,207	— 24,906
*Chronicle	665,504	857,582	—192,078
*Press	270,386	357,935	— 87,549

Total1,421,865 1,820,735 —398,870

SYRACUSE

*Herald	565,985	588,676	— 22,691
Herald	137,528	156,687	— 19,159
*Journal	573,870	608,832	— 34,962
American	156,991	158,409	— 1,418
*Post-Standard	433,906	502,870	— 68,964
Post-Standard	118,941	101,477	+ 17,464

Total1,987,221 2,116,951 —129,730

TACOMA

*Ledger	298,910	306,287	— 7,377
Ledger	131,339	187,080	— 55,741
*News-Tribune	604,787	646,281	— 41,494
*Times	380,217	451,172	— 70,955

Total1,415,253 1,590,820 —175,567

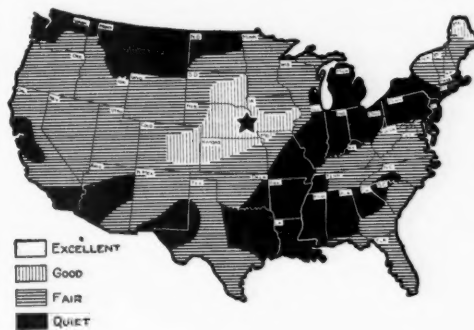
TERRE HAUTE

*Post	381,902	389,821	— 7,919
*Star	352,632	431,210	— 78,578
Star	89,927	100,030	— 10,103
*Tribune	504,676	591,486	— 86,810
Tribune	106,285	116,835	— 10,550

Total1,435,422 1,629,382 —193,960

* No Sunday edition.

Forbes Business Map for February, 1931



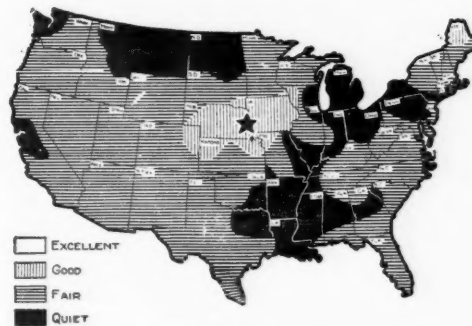
The ★ on these two Forbes business maps is Omaha's location.

Note the ★ is near the center of the light shaded section on each map—which was the ONLY area on the Forbes January and February maps, with the exception of Maine, where business was found to be "GOOD."

Omaha was in a "good" section in December also and in previous months.

Omaha merchants are cashing in on the city's and territory's fortunate conditions. They used in January of this year, more *World-Herald* space than in January 1930, and in the whole of 1930 only 1% less than in the banner year of 1929.

COME WHERE BUSINESS IS!



Forbes Business Map for January, 1931

The WORLD-HERALD

January, 1931, Average: 122,211 Daily, 118,239 Sunday
 National Representatives: O'MARA & ORMSBEE, Inc.

Advertising and Selling Abroad

By F. R. ELDRIDGE

Executive Vice-President American Manufacturers' Export Association

One of the country's leading authorities on export merchandising explains—for American manufacturers, exporters and export advertisers—how to get their goods before the buying public in every section of the world. The ways to approach a fresh foreign market, the proved methods for getting dealers to handle your product, the systems in use for getting necessary sales information, the fundamentals of export advertising, are among the topics covered in this book.

Price \$3.50. Remittance must accompany order.

Book Service

SALES MANAGEMENT

420 Lexington Avenue

New York, N. Y.

TOLEDO			
*Times	207,750	306,969	— 99,219
Times	210,619	272,669	— 62,050
*Blade	836,361	1,019,298	—182,937
*News-Bee	521,452	670,099	—148,647
Total	1,776,182	2,269,035	—492,853
TRENTON			
*Times	636,142	723,729	— 87,587
Times & Advertiser	91,383	127,399	— 36,016
Total	727,525	851,128	—123,603
TULSA			
*Tribune	633,446	646,700	— 13,254
Tribune	91,040	235,737	—144,697
*World	581,290	656,976	— 75,686
World	171,063	165,218	+ 5,845
Total	1,476,839	1,704,631	—227,792
WASHINGTON			
*Herald	246,058	250,009	— 3,951
Herald	203,598	202,447	+ 1,151
*News	221,312	205,266	+ 16,046
*Times	557,272	615,131	— 57,859
*Post	363,534	408,217	— 44,683
Post	178,467	209,891	— 31,424
*Star	1,302,344	1,368,916	— 66,572
Star	391,375	432,298	— 40,923
Total	3,463,960	3,692,175	—228,215
WESTCHESTER COUNTY GROUP			
*Mamaroneck			
Times	139,862	150,610	— 10,748
*Mt. Vernon			
Argus	552,276	623,181	— 70,905
*New Rochelle			
Standard Star	509,119	449,883	+ 59,236
*Ossining			
Citizen Sentinel	169,795	179,264	— 9,469
*Portchester Item			
Portchester Item	407,316	401,780	+ 5,536
*Tarrytown News			
Tarrytown News	280,524	349,423	— 68,899
*Yonkers Herald			
Yonkers Herald	379,742	408,322	— 28,580
*Yonkers Star 'n'			
Yonkers Star 'n'	303,609	313,980	— 10,371
*White Plains			
Press	286,626	206,157	+ 80,469
*White Plains			
Reporter	568,223	741,647	—173,424
Total	3,311,483	3,824,247	—227,155
WICHITA			
*Beacon			
Beacon	568,932	621,731	— 52,799
*Eagle			
Eagle	168,144	258,579	— 90,435
*Eagle			
Eagle	433,876	430,993	+ 2,883
*Eagle			
Eagle	460,011	577,493	—117,482
Eagle	147,698	244,590	— 96,892
Total	1,778,661	2,133,386	—354,725
WILKES-BARRE			
*Record			
Record	874,161	963,467	— 89,306
*Times-Leader			
Times-Leader	895,278	887,290	+ 7,988
*News			
News	423,696	482,686	— 58,990
*Independent			
Independent	149,550	162,727	— 13,177
*Telegram			
Telegram	40,420	66,669	— 26,249
Total	2,383,105	2,562,839	—179,734
WINSTON-SALEM			
*Twin City Sent.			
Twin City Sent.	301,020	445,586	—144,566
*Journal Sentinel			
Journal Sentinel	46,890	46,921	— 31
Total	347,910	492,507	—144,597
WORCESTER			
*Telegram			
Telegram	160,651	189,335	— 28,684
*Gazette			
Gazette	577,142	637,479	— 60,337
*Post			
Post	609,507	681,089	— 71,582
*Post			
Post	444,820	496,933	— 52,113
Total	1,792,120	2,004,836	—212,716
YOUNGSTOWN			
*Vindicator			
Vindicator	604,887	825,690	—220,803
*Vindicator			
Vindicator	110,305	140,585	— 30,280
*Telegram			
Telegram	561,993	801,425	—239,430
Total	1,277,187	1,767,700	—490,513
* No Sunday edition.			

Revised Lineage Figures

Corrected comparative yearly figures for Milwaukee newspapers, as compiled by Media Records, Inc., show a smaller loss for the combination *Sentinel-News* than was printed in our January 31 issue. Correct figures are:

	1930	Change over 1929
Journal (D & S)	17,546,374	—2,580,480
News	7,037,449	—1,468,067
Sentinel (D & S)	6,739,632	— 858,150
Leader	2,569,083	+ 252,152

Revised figures for Miami are as follows:

	December	Change over 1929
Herald	938,665	— 79,204
Daily News	739,494	+ 73,486

Totals

	Yearly	Change
Herald	10,949,253	+ 655,956
Daily News	7,450,800	+ 318,346

Totals

Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display Cash Basis Only. Remittance Must Accompany Order

EXECUTIVES WANTED

SALES MANAGER: WELL ESTABLISHED eastern corporation, with invested capital of half-million, requires an unusual sales executive to head New York City sales department. Experience essential in marketing loose-leaf binders, visible record equipment and group printing of forms. Must be willing to work on a profit-sharing basis. Preference given to one able to invest from \$10,000 to \$25,000 to be used for sales development work. Opportunity for larger investment if desired. Liberal earning capacity to capable man who can assume the responsibility of developing the territory either locally or nationally. Write fully. Address Box 289, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

IF YOU ARE OPEN TO OVERTURES FOR new connection and qualified for a salary between \$2,500 and \$25,000, your response to this announcement is invited. The undersigned provides a thoroughly organized service of recognized standing and reputation through which preliminaries are negotiated confidentially for positions of the calibre indicated. The procedure is individualized to each client's personal requirements, your identity covered and present position protected. Established twenty-one years. Send only name and address for details. R. W. Bixby, Inc., 118 Downtown Building, Buffalo, N. Y.

SALES PROMOTION

\$50 to \$50,000 DAILY SALES SECURED FROM our clients. This distributor took on a new specialty, retailing at \$60. His first purchase \$12. We submitted a sales program capable of national expansion. Within four years his sales were nationwide, running to \$100,000 monthly. 35 years salesmanship-in-print experience back of our campaigns. Submit sales problems for free diagnosis. 10 years Sales Promotion Manager, Larkin Co. James C. Johnson, 119 Woodbridge Ave., Buffalo, N. Y.

DIRECT MAIL

A LIVE HOUSE ORGAN TELLING THE right merchandising story to your distributors is the cheapest form of advertising insurance. Our 100 correspondents are trained to get information your trade requires. Let house organ experts solve the problem. Complete details furnished on request. J. J. Berliner & Staff, 1123 Broadway, New York, N. Y.

LINES WANTED

ARE YOU INTERESTED IN HAVING YOUR merchandise properly distributed in the Southwest? I can save you money if your goods are of merit. Only high-class merchandise considered. If interested, address H. E. Gordon, 524 Wilson Building, Dallas, Texas.

Index to Advertisers

	PAGE		PAGE
Barbizon-Plaza	375	Literary Digest	367
Bigelow, Burton	380	Los Angeles Evening Herald	352
Bigelow, Kent, Willard & Co., Inc.	350	Multiplex Display Fixture Co.	380
Bush Terminal Co.	355	New York News	368-369
Central Broadcasting Co.	383	Oklahoma City Daily Oklahoman & Times	Cover
Chicago Evening American	351	Omaha World-Herald	387
Commerce Photo-Print Co.	386	Pittsburgh Press	Cover
Critchfield & Co.	378	Saturday Evening Post	356
Crosley Radio Corp.	377	Starch, Daniel	386
Einson-Freeman Co., Inc.	384	Sterling Engraving Co.	381
Gibbons, Ltd., J. J.	388	WHO	383
Grit	385	WLW	377
Hotel Drake	384	WOC	383
Hotels Statler	379	WPG Broadcasting Co.	Cover
Industrial Club of St. Louis	349		

Reprints at Cost

We will reprint at cost plus ten per cent for postage and packing any article in this or other issues of SALES MANAGEMENT.

In every issue there are articles which profitably could be sent to business associates, customers, or friends of some of our readers. We shall be pleased to quote prices in any quantity desired.

"GIBBONS knows CANADA"